

3. Resources Available

This section summarizes the land, financial, and administrative resources available for the development, rehabilitation, and preservation of housing in Carlsbad. The analysis includes: an evaluation of the adequacy of the City's land inventory to accommodate the City's share of regional housing needs for the 2005-2010 planning period; a review of financial resources to support housing activities; and a discussion of the administrative resources available to assist in implementing the housing programs contained in this Housing Element.

A. Residential Development Potential

State law requires local jurisdictions to plan their residential land and standards to ensure adequate housing is available to meet the expected population growth in the region. Specifically, a jurisdiction must demonstrate in the Housing Element that its residential land inventory is adequate to accommodate its Regional Housing Needs Assessment (RHNA). This section assesses the adequacy of Carlsbad's vacant and underutilized land inventory in meeting future housing needs.

Future Housing Needs

For the 2005-2010 Housing Element cycle, the State Department of Housing and Community Development (HCD) projected a need for 107,301 new housing units in the San Diego region. The San Diego Association of Governments (SANDAG) is responsible for allocating this future housing need to the 19 jurisdictions within the County. In this capacity, SANDAG developed a Regional Housing Needs Assessment (RHNA) that determines each jurisdiction's "fair share" of the forecasted growth through 2010. Carlsbad's share of the regional housing need for the 2005-2010 period is allocated by SANDAG based on factors such as recent growth trends, income distribution, and capacity for future growth.

The City of Carlsbad was assigned a future housing need of 8,376 units for the 2005-2010 planning period, or 7.8 percent of the overall regional housing need. The City must make available residential sites at appropriate densities and development standards to accommodate these 8,376 units according to the following income distribution:

- Very Low Income: 1,922 units (23.0 percent)
- Low Income: 1,460 units (17.4 percent)
- Moderate Income: 1,583 units (18.9 percent)
- Above Moderate Income: 3,411 units (40.7 percent)

Credits toward RHNA

While the Housing Element is a five-year planning document, the RHNA has a 7.5-year time frame, using January 1, 2003 as the baseline for growth projections. Therefore, housing units constructed since 2003, under construction, or entitled can be credited toward the RHNA for this Housing Element period.

Units Constructed

As part of the City Inclusionary Housing program, a significant number of affordable units have been constructed (or are under construction) since January 1, 2003. Overall, 4,460 new housing units were constructed between January 1, 2003 and December 31, 2006, including 67 second dwelling units. Specifically, among the units constructed, 658 are deed-restricted for lower income use (32 extremely low, 53 very low, and 573 low income units), most as required by the City's Inclusionary Housing program. In addition, 362 moderate income units were built from 2003-2006. Moderate income units built were not deed-restricted and were not required by the Inclusionary Housing program.

Units under Construction

Currently, residential projects totaling 582 units are under construction in Carlsbad. These units are slated for completion in 2007 and 2008. Among the units under construction are 234 inclusionary units (100 very low and 134 low income units).

Units Approved

Several residential development projects have already been approved by the City of Carlsbad. Overall, these projects will add over 1,900 new units to Carlsbad (**Table 3-1**), inclusive of 135 affordable units (18 very low and 117 low income units) as required by the City's Inclusionary Housing program.

Summary

Table 3-1 summarizes the City's housing production and **Table 3-2** provides a detailed accounting of the affordable units, including moderate income units, built during 2003-2006 as well as currently under construction. With units constructed, under construction, and entitled, the City has already met its RHNA obligation for above moderate income housing and a portion of its obligation for lower and moderate income housing. Overall, the City has a remaining RHNA of 3,566 lower and moderate income units which must be met by designating sites at appropriate densities.

Table 3-1
Housing Production: January 1, 2003 through December 31, 2006

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total ¹
Constructed	85 ²	573	362	3,440	4,460
Under Construction ³	100	134	10	338 ⁵	582
Approved ⁴	18	117	---	1,783 ⁵	1,918
Total	203	824	372	5,552	6,951
RHNA	1,922	1,460	1,583	3,411	8,376
RHNA Remaining	1,719	636	1,211	---	3,566

Notes:

¹ Total does not include 71 units for which sales price and rent information could not be obtained; likely, these units would be considered as above moderate income units.

² Includes 32 units deed restricted to extremely low income households.

³ "Under Construction" figures are based on active, issued residential permits as of 12/31/06. Further, units shown as low or very low income have approved affordable housing agreements or are second dwelling units (9 total); for moderate income projects, figures are based on rental information obtained; remaining under construction units are assumed to be all above moderate income.

⁴ "Approved" represents projects that have received, at a minimum, tentative map approval. However, all very low and low income units shown in this category have received all discretionary permits. The projects contributing to the very low and low income units are identified in Table 3-2 under "affordable units approved."

⁵ Based on historic data, the City estimates that the majority of units approved or under construction and not specifically approved or designated as lower or moderate income units will be affordable to above moderate income families. However, since rents and sales prices of the above moderate income units shown are not yet known, some of the units could be placed in other income categories.

Source: City of Carlsbad, January 2007.

Table 3-2
Affordable Housing Production

Projects	Type	Extremely Low Income ¹	Very Low Income ¹	Low Income ¹	Moderate Income ²	Total
Affordable Units Constructed 2003-2006						
Pacific View	Apts	---	---	111	157	268
Mariposa	Apts	32	---	73	---	105
Casa Laguna	Condos	---	---	2	---	2
La Paloma	Apts	---	53	127	---	180
Bressi Ranch (Mulberry)	TH	---	---	100	---	100
Village by The Sea	Condos	---	---	11	---	11
The Tradition	Apts	---	---	24	97	121
Farber	Condos	---	---	2	---	2
Rose Bay	TH	---	---	24	---	24
The Summit (Marbella)	Apts	---	---	29	94	123
Pirineos Pointe	Condos	---	---	---	14	14
Laguna Pointe	Condos	---	---	3	---	3
Second Dwelling Units ³	SDUs	--	---	67	---	67
Subtotal:		32	53	573	362	1,020

**Table 3-2
Affordable Housing Production**

Projects	Type	Extremely Low Income ¹	Very Low Income ¹	Low Income ¹	Moderate Income ²	Total
Affordable Units Under Construction (estimated completion in 2007)						
Hunter's Point	Apts	---	90	78	---	168
Cassia Heights	Apts	---	---	56	---	56
The Bluffs	Condos	---	10	---	---	10
Marbella (remainder)	Apts	---	---	---	10	10
Subtotal:		---	100	134	10	244
Affordable Units Approved						
Cantarini/Holly Springs	Apts	---	---	80	---	80
Poinsettia Place	Condos	---	7	7	---	14
Roosevelt Gardens	Condos	---	11	---	---	11
Poinsettia Commons	Condos	---	---	12	---	12
La Costa Condominiums	Condos	---	---	9	---	9
La Costa Village Center	TH	---	---	9	---	9
-Subtotal:		---	18	117	---	135
Total		32	171	824	372	1,399

Apts = Apartments; Condos = Condominiums; TH = Townhomes

Notes:

¹ All extremely low, very low, and low income units in the projects presented in this table are or will be deed-restricted according to the City's Inclusionary Housing program.

² All moderate income units are not deed restricted; categorization as moderate income units is based on price data supplied by developers.

³ Pursuant to City regulations, second dwelling units, if rented, must be rented at rates affordable to low income households.

Source: City of Carlsbad, January 2007.

Residential Sites Inventory

Pursuant to State law, the City must demonstrate that it has adequate vacant residential sites at appropriate densities and development standards to accommodate the City's RHNA. Based on Table 3-1 above, the City's remaining RHNA is as follows:

- Very Low Income: 1,719 units
- Low Income: 636 units
- Moderate Income: 1,211 units
- Above Moderate Income: 0 units

The following residential sites inventory represents sites at either existing or anticipated densities that would accommodate the remaining need. All "number-of-unit" yields for "unentitled" and "underutilized" sites (the latter defined below) are determined after deductions are made for constraints, which include slopes of 25 percent and greater, water bodies, and San Diego Gas and

Electric transmission corridors. Finally, the acreage of any unentitled or underutilized sites with more than one general plan designation (e.g. RH/O/OS) is appropriately adjusted so unit yields are based only on the portion of acreage reflective of the residential designation.

“Underutilized” sites are properties not developed to their full potential, such as an older residence on a large lot designated for multi-family residential. The City considers a property underutilized if its improvement value is less than half its land value, with values as determined by the County Assessor. All underutilized lands counted in Tables 3-4, 3-6, and 3-9 have a minimum site size of 0.24 acre, a threshold where infill development and redevelopment have occurred in recent years. Any existing units on underutilized parcels are also deducted before determining unit yields. While sharing the same minimum site size criteria, parcels in the City’s Village Redevelopment Area, which encompasses downtown Carlsbad, are considered underutilized if their development potential has not been maximized as determined by the City’s Housing and Redevelopment Department.

Correlation between Affordability and Density

Table 3-3 presents a list of the City’s recent affordable housing projects and their associated densities. Most of the City’s affordable housing developments have been developed at a density between 10 and 20 units per acre, although two projects (Cassia Heights and Village by The Sea) did exceed 20 units per acre. These development practices demonstrate that affordable housing for lower income households can be achieved in the City’s Residential Medium High Density land use designation (“RMH,” between 8 and 15 units per acre [du/ac], with a Growth Management Control Point of 11.5 du/ac) and the Residential High land use designation (“RH,” between 15 and 23 du/ac with a Growth Management Control Point of 19 du/ac). The Growth Management Control Point is typically the density below or at which development has historically occurred. Furthermore, when a density bonus is applied to the RH designation, the maximum density can potentially reach 31 units per acre (at a maximum density bonus of 35 percent).

**Table 3-3
Recent Affordable Housing Projects
(Built and Under Construction)**

Project	Number of Units (Total/ Affordable)	Year of Completion	Project Density	Affordability
Mariposa Apartments	106	2004	14.9 du/ac	100% Lower Income
Pacific View/Kelly Ranch	451/111	2004	13.7 du/ac	25% Lower Income/ Market Rate
La Paloma	180	2005	11.5 du/ac ¹	100% Lower Income
Mulberry	100	2005	17.6 du/ac	100% Lower Income
Rose Bay	24	2005	8.2 du/ac	100% Lower Income
Village by The Sea	65/11	2005	22.9 du/ac	17% Lower Income/ Market Rate
Marbella	143/29	2006	11.4 du/ac	20% Lower Income/ Market Rate
Cassia Heights	56	2007	21.1 du/ac	100% Lower Income
Hunter's Pointe	168	2007 (estimated)	10.6 du/ac	100% Lower Income
Roosevelt Gardens	11/11	2008 (estimated)	19.5 du/ac	100% Lower Income

Note: "du/ac" is dwelling units/acre.

High Density Residential (RH) Sites

Table 3-4 provides a summary of high density residential sites in the City that can facilitate the development of lower income housing. The City has a limited inventory of unentitled RH land that is either vacant or underutilized, and available for residential development. As shown in the appendix, these parcels are mostly under one acre in size. Despite their small sizes, such sites are proven producers of multi-family housing, as **Table 3-5** demonstrates. Because of the proven yield realized from small properties, the City considers these small properties as valid sites in its high density land inventory. To further facilitate multi-family residential development, this Housing Element includes a program to amend the RH land use designation to require development at a minimum 20 units per acre.

**Table 3-4
Existing and Proposed High Density Residential (RH) Sites**

Property	APN	Acres	Density	Number of Units ¹
<i>Vacant Residential Sites currently designated RH</i>				
Robertson Ranch	Portions of 168-050-47, 208-010-36	22	20-22.3 du/ac ²	465 ²
Unentitled Land	Various	19.5	20 du/ac ³	290
Subtotal				755
<i>Vacant Residential Sites proposed to be designated RH</i>				
Canyon View ⁴	Portions of 215-020-07, 215-050-21, 22, 215-050-44-47	17.7	20 du/ac	377
Subtotal				377
<i>Vacant Non-Residential Sites proposed to be designated RH</i>				
MAG ⁴	223-060-31	6.0	19 du/ac	120
Ponto ⁴	216-140-17	6.4	20 du/ac	128
Quarry Creek ⁴	Portions of 167-040-21	17.5	20 du/ac	350
Subtotal				748
<i>Other</i>				
Underutilized RH Sites	Various	7.4	20 du/ac ³	104
Total				1,984

Notes:

¹ Number of units does not always reflect acreage multiplied by density because of rounding and other factors.

² General Plan Amendment (GPA) and Master Plan approved to allow the densities and number of units shown.

³ City commits to process a GPA to increase minimum density to 20 du/ac on these sites (New Program).

⁴ More information about these projects is provided below.

Source: City of Carlsbad, January 2007

**Table 3-5
Approved Multi-Family Projects on Small Sites**

Project	Site Size (in acres)	Units	Density	Approval Date
Ayoub Triplex	0.19	3	15.8 du/ac	2000
Ocean Breeze Condos	0.31	5	16.0 du/ac	2002
Acacia Estates	0.32	4	12.5 du/ac	2005
Tamarack Beach Lofts	0.22	4	18.0 du/ac	2006
La Vercia	0.41	5	12.2 du/ac	1998

Specific Vacant Sites Proposed to be Designated RH

Four different sites are proposed for redesignation to RH. For two of them, the City would propose the redesignation; the other two are developer applications. Details of each follow:

1. **Canyon View:** A developer has filed applications, including a zone change and general plan amendment, to redesignate and develop and preserve approximately 60 vacant acres. The proposed project would feature 407 condominiums – 377 units on a proposed 17.7-acre site with a RH designation and 30 units on a proposed 2.6-acre site with a RMH designation (See Table 3-8 for more information on the RMH designation). Much of the property would be set aside as open space to preserve natural habitat. Current zoning for the affected acreage is L-C (Limited Control) and R-1 (One-family Residential). Current general plan is RLM (Residential Low Medium Density) and OS (Open Space).
2. **MAG:** A developer-initiated application, MAG properties comprise the vacant site of the La Costa Town Square project, which features a large shopping center and office development, a mixed-use component, and single- and multi-family residential. Part of the proposal would redesignate six acres of property from O (Office) to RH and construct 120 multi-family units on the property at the current RH Growth Management Control Point density of 19 units per acre. Current zoning of the property, P-C (Planned Community), would not change. The environmental impact report for La Costa Town Square is currently underway.
3. **Ponto:** Ponto is the name given to a 130-acre area located near Carlsbad State Beach in the southwestern part of the City. Ponto also falls within the South Carlsbad Coastal Redevelopment Area. The Ponto Beachfront Village Vision Plan is intended to provide guidance for the development of a 50-acre portion of Ponto. This Vision Plan, developed by the City and still in draft form, designates approximately 6.4 vacant acres for high density residential. This property has a current zoning of P-C and a combination general plan designation of U-A/T-R/C (Unplanned Area/Travel-Recreation/Commercial). Per the Vision Plan, the City would amend the general plan to designate the property RH. The environmental impact report for the Ponto Beachfront Village Vision Plan is currently underway.
4. **Quarry Creek:** The site of the former South Coast Materials Quarry that ceased mining operations in 1995, Quarry Creek is an approximately 100-acre parcel bisected by Buena Vista Creek. The majority of the property is vacant; some buildings from the quarry operation remain, and recycling of used concrete and asphalt materials continues on a temporary basis on site. The site is undergoing soil remediation and reclamation planning as required by the State Surface Mining and Reclamation Act (SMARA). Quarry Creek has a current zoning of R-1-10,000 (One family residential, minimum 10,000-square-foot lot size) and M (Manufacturing) and general

plan designations of RLM (Residential Low Medium Density) and OS (Open Space). The City proposes to redesignate a portion of the property to RH with an appropriate zoning. The City also proposes to redesignate another portion of the property to RMH (see Table 3-9). Quarry Creek is unique in that it is part of the only area in the City without a Local Facilities Management Plan; this plan must be adopted before any development may occur.

RH Mixed Use Sites

The City's satisfaction of its RHNA also relies upon existing and proposed "mixed use" sites. For purposes of this Housing Element, mixed use describes properties where both commercial and residential uses either are permitted or proposed on the same or adjacent sites. Mixed use may be "horizontal," with different uses located on adjoining sites, or it may be "vertical," with residences, for example, located above shops in a multi-story building. **Table 3-6** lists residential potential in the City's planned mixed use and existing redevelopment areas where lower income housing also may be feasible.

Table 3-6
Existing and Proposed RH Mixed Use Sites

Property	APN	Acres	Density	Number of Units ¹
<i>Proposed Vacant Mixed Use Sites</i>				
Commercial Mixed Use MAG ²	Portion of 223-060-32	1.0 (approx)	N/A	14
Commercial Mixed Use Ponto ²	Portion of 216-140-18	2.8 (approx)	20 du/ac	28
<i>Proposed Shopping Center Mixed Use Sites</i>				
Various (see Table 3-7) ²	Various	Various	20 du/ac	377
<i>Existing Village Mixed Use Sites (underutilized and vacant)</i>				
Village Redevelopment Area ²	Various	77.6	23 du/ac ³	650
Total				1,069

Notes:

¹ Number of units does not always reflect acreage multiplied by density because of rounding, planned mixed use developments, and other factors.

² More information about these projects is provided in the text below.

³ The City commits to processing a GPA and other appropriate documents to increase the minimum density to 23 du/ac on these sites (New Program). Only 50% of the potential yield for Village sites is considered. Only 1.7 acres of the total acres shown are vacant.

Source: City of Carlsbad, January 2007

Proposed Vacant Mixed Use Sites

1. **MAG:** This developer-proposed project also features a mixed-use component with 14 multi-family residential units in addition to its proposed RH component discussed above. These 14 units are proposed as inclusionary units for satisfying the single-family residential component of

the MAG project. These units will be affordable to lower income households.

2. **Ponto:** Also discussed above, the draft Ponto Beachfront Village Vision Plan prepared by the City designates an approximate six acre area as a mixed use center where residential would be permitted in a vertical or horizontal arrangement. The City commits to the development of 28 dwelling units on the site at a density of 20 units per acre. This property has a current zoning of P-C and a combination general plan designation of U-A/T-R/C/OS (Unplanned Area/Travel-Recreation/Commercial/Open Space). This designation would be changed to an appropriate mixed use designation that facilitates high density development.

Proposed Shopping Center Mixed Use Sites

Carlsbad recognizes the increasing pressure on cities to encourage smart growth developments; that is, developments which recognize the importance of sustainability and balance social, economic, and environmental needs through the development of mixed use commercial and high density residential projects. The City is also aware that it has a finite supply of raw land. For these reasons, Carlsbad sees its many shopping center sites as potential locations for high density housing. As potential mixed-use sites, they would comply with General Plan objectives for medium and high density uses calling for close-in, convenient shopping for the City residents and proximity to transportation corridors and employment areas.

Currently, outside the Village Redevelopment Area, residential uses above the ground floor of a multi-story commercial building are conditionally permitted in the zones applied to shopping centers (i.e., C-1 [Neighborhood Commercial], C-2 [General Commercial], and C-L [Local Shopping Center]). Recognizing the potential for residential mixed with existing or redeveloped commercial uses, this Housing Element includes a new program to develop new standards to permit by right multi-family housing in the City's commercial zones at a minimum density of 20 du/acre.

While residential development would not be mandatory upon any shopping center development or redevelopment proposal, the City believes the shopping centers identified in **Table 3-7** have the potential to initiate mixed use development within this Housing Element cycle. The City has identified these centers as potential mixed-use sites for various reasons, including functional obsolescence due to small supermarket and/or property size and poor vehicular circulation; underutilization of property; and City ownership of surrounding property. One of these centers, Plaza Camino Real, has already been the subject of redevelopment discussions between the City and mall owners. Plaza Camino Real, a regional mall along Highway 78 developed in the late 1960s, is entirely surrounded by parking on property owned by the City of Carlsbad.

The dwelling unit yield projected for the shopping centers is based on only 25 percent of each center's acreage redeveloping with residential uses at 20 units per acre. This assumption recognizes that not all shopping centers will propose mixed-use; for those that do, the 25 percent limitation also recognizes the importance of maintaining sites for commercial uses in the City.

(Table 3-7 identifies only select shopping centers; the proposed program to allow mixed uses at shopping centers would apply to all shopping centers and shopping center sites in Carlsbad.)

**Table 3-7
Shopping Centers with High Density, Mixed Use Potential**

Use	Location	APN	Acres	Existing Zoning ¹	Existing General Plan ²	Number of Units ³
Von's Center	Interstate 5 and Tamarack	206-050-16 - 20	5	C-1	L	25
Von's Center	El Camino Real and La Costa Ave	216-124-11, 13, 15, 16, and 17	8	C-1-Q	L, L/OS	42
Country Store	El Camino Real	207-101-24	5	C-2/C-2-Q	L	25
Plaza Camino Real	El Camino Real and Marron Rd.	156-301-06, 10, and 11; 156-302-14 and 24	57 (parking lot only)	C-2	R	285
Total						377

Notes

¹ Zoning symbols are: C-1 (Neighborhood Commercial); C-2 (General Commercial) C-L (Local Shopping Center); O-S (Open Space); R-P (Residential Professional); Q (Qualified Development Overlay Zone).

² General Plan land use symbols are: L (Local Shopping Center); OS (Open Space); R (Regional Commercial).

³ Number of units is based on 25% of site acreage multiplied by 20 du/ac.

Existing Underutilized and Vacant Mixed Use Sites in the Village

Based on current development trends, the City estimates that significant residential development potential is located in the Village Redevelopment Area, which encompasses the City's downtown. Furthermore, the City is encouraging mixed use developments in its downtown area. Residential development (at a density of up to 23 units per acre) is currently allowed on nearly all of the properties in the Village Redevelopment Area, and the potential unit yield in the Village could be more than 1,000. Because most of the properties in the Village allow for mixed uses and do not have any density assigned by right, when the City prepared the 1986 Growth Management Plan, 1,000 units were reserved in the Excess Dwelling Unit Bank for the Village. Over the years, the City has maintained these units specifically for the Village; a major modification of the Excess Dwelling Unit Bank in 2002 did not result in any reduction of the 1,000 units allocated to the Village. More information on the Growth Management Plan and the current status of the Excess Dwelling Unit Bank can be found in Section 4B.

As identified in **Table 3-8**, several residential mixed use projects recently approved or constructed in the Village demonstrate the need for the Village unit allocation and the high density nature of development occurring there. These mixed use projects have an average density of 18.5 units per acre. One example of the recent high density activity in the Village includes Village by The Sea. Village by The Sea, completed in 2005, features ground floor retail space and 65 housing units, eleven of which are deed restricted to low income families, at a density of 22.9 units per acre. In addition to mixed use projects, Village residential projects such as the recently approved Roosevelt Gardens are providing high density affordable housing. An 11-unit development with a density of 19.5 units per acre, all condominiums in Roosevelt Garden will be available for purchase only to low income households. Both projects and the other recently approved residential and mixed use developments help fulfill Village Redevelopment Master Plan goals that specify increasing the number, quality, diversity, and affordability of housing units in the Village.

These recent projects show a trend toward more residential development in the Village. Bolstering that possibility is a June 2006 retail market analysis for the Village prepared for the City's Redevelopment Agency, which notes that new residential development downtown must occur for the Village to thrive. In addition, a series of public workshops is currently underway to review Village land use and development standards.

Many properties in the City's Village Redevelopment Area have the potential to redevelop with mixed uses. Mixed-use as well as high-density residential projects are currently permitted uses in several Village land use districts at densities up to 23 units per acre. In these districts, the City calculates that approximately 78 acres of sites, at a minimum size of 0.24 acre, are available for high density residential or mixed use development. Most (approximately 76 acres) of these sites have existing uses; however, the City's Housing and Redevelopment Department, which is located in the Village area, has completed a site-by-site analysis and determined that these sites have mixed use redevelopment potential in the near term for one or more of the following reasons:

1. Sites are underutilized, and their development potential has not been maximized;
2. Buildings on the sites have exceeded their useful life of 55 years;
3. Sites have nonconforming uses; and/or
4. Sites are vacant and available for development.

As noted in Table 3-6 above, the potential density yield that would be realized from mixed use development of these properties is 650 units at a minimum density of 23 units per acre. This minimum density requirement represents a new Housing Element program as current project densities are permitted up to 23 units per acre. Furthermore, the yield is a very conservative estimate of the number of new homes that could be built in the Village for the following reasons:

1. Besides the land use districts (1, 2, 4, 8, and 9) where high density residential and mixed use developments are permitted, other Village districts also provisionally permit mixed use and/or high density residential. Development of these other sites could substantially increase the number of units.
2. Only unit yields from potential mixed use developments are counted; the 650 units counted in Table 3-6 do not include possible yields from residential-only high density projects. Only mixed use yields are counted as the City is encouraging mixed use development, rather than stand-alone residential projects, to both increase the number of residents in the Village and the amount of commercial uses to serve residents. However, the proposed minimum density of 23 units per acre would apply to both mixed use and stand-alone residential projects.
3. Only 50 percent of the potential yield from mixed use developments at 23 units per acre is counted. Actual unit yields more than likely would be higher, based on approved densities of actual mixed use projects and the new Housing Element program to require the minimum density of 23 units per acre. Table 3-8 below illustrates this conclusion by providing information about recently approved mixed use projects in the Village. The table also demonstrates the success in developing such projects at or slightly above the minimum parcel size considered.
4. The City will encourage consolidation of smaller properties for larger-scale developments.

**Table 3-8
Recent Village Mixed Use Projects**

Project	Acres	Units	Density	Approval Date
Casa Cobra	0.24	4	16.7	2006
Lincoln & Oak Mixed Use	0.40	6	15.0	2006
Roosevelt Plaza	0.24	4	16.7	2006
State Street Mixed Use	0.28	6	21.4	2006
Village By The Sea	2.80	65	22.9	2002

Medium-High Density Residential Sites

Smaller condominium and townhome units or planned unit developments may be affordable to moderate income households. Table 3-6 presented earlier shows condominium/townhome units affordable to moderate income households based on price data supplied by developers. These units are typically developed on properties designated for Residential Medium High Density (between 8 and 15 units per acre). **Table 3-9** provides a summary of Residential Medium High Density sites in Carlsbad. Overall, the City has the capacity to accommodate 574 units at densities adequate to facilitate moderate income housing.

Table 3-9
Existing and Proposed Medium High Density Residential (RMH) Sites

Property	APN	Acres	Density	Number of Units ¹
<i>Vacant Residential Sites currently designated RMH</i>				
Robertson Ranch	Portions of 168-050-47, 208-010-36	7	12.4 du/ac ²	87
Vacant Unentitled RMH Land	Various	9.8	12 du/ac ³	118
Subtotal				205
<i>Vacant Residential Sites not currently designated RMH</i>				
Canyon View ⁴	Portions of 215-020-07, 215-050-21, 22, 215-050-44-47	2.6	11.5 du/ac	30
<i>Vacant Non-Residential Sites proposed to be designated RMH</i>				
Quarry Creek ⁴	Portions of 167-040-21	21	12 du/ac ⁵	250
<i>Other</i>				
Underutilized RMH Land	Various	10	12 ³ du/ac	89
Total				574

Notes:

¹ Number of units does not always reflect acreage multiplied by density because of rounding and other factors.

² GPA and Master Plan approved to allow the densities and number of units shown.

³ City commits to process a GPA to increase minimum density to 12 du/ac on these sites (new program).

⁴ More information about these sites is provided below.

⁵ City commits to process a GPA to re-designate a portion of site to RMH with a minimum density of 12 du/ac (new program).

City of Carlsbad, January 2007

Relevant general plan, zoning, and other information about the Canyon View and Quarry Creek sites may be found in the previous section under *High Density (RH) Sites*. Both projects have proposed RMH as well as RH components.

Further, while limited in number and total acreage, all properties counted as unentitled and underutilized in **Table 3-9** are at least 0.24 acre in size, which as Table 3-5 demonstrates, is adequate to produce multi-family housing. A new Housing Element program also proposes to establish a minimum density of 12 units per acre for the RMH designation, which would apply to both unentitled and underutilized sites.

Low, Low-Medium, and Medium Density Residential Sites

At market rate, residences on Residential Low Density, Residential Low Medium Density, and Residential Medium Density sites in Carlsbad are affordable primarily to above moderate income households only. They may include a mix of unit types, including condominiums, but these sites are typically dominated by single-family homes in planned unit developments or standard subdivisions. The City has the capacity to accommodate 1,968 additional homes on lower density residential land (**Table 3-10**).

Table 3-10
Low, Low-Medium, and Medium Residential (RL, RLM, RM) Sites

Property	Acres	Density ¹	Number of Units ²
<i>Vacant Residential Sites</i>			
Unentitled RM	163	6.0 du/ac	787
Unentitled RLM	324	3.2 du/ac	1,037
Unentitled RL	138	1.0 du/ac	144
Total			1,968

Notes:

¹ Densities are based on the Growth Management Control Point.

² Number of units does not always reflect acreage multiplied by density because of rounding and other factors.

Source: City of Carlsbad, January 2007

Second Units

Furthermore, the City has experienced increased development of second units in recent years. Between January 1, 2003 and December 31, 2006, a total of 67 second dwelling units (or an annual average of 17 units) were built in the City. The City estimates an additional 80 second units may be developed during the remaining four years of the 2005-2010 planning period based on recent trends. Pursuant to City regulations, second dwelling units, if rented, must be rented at rates affordable to lower income households.

Adequacy of Sites Inventory in Meeting RHNA

Overall, the City has the capacity to accommodate 5,675 additional units on existing and proposed residentially designated land, mixed use projects and redevelopment areas (**Table 3-11**). This capacity can potentially facilitate the development of 3,133 lower income, 574 moderate income, and 1,968 above moderate income units based on economic feasibility as it relates to densities. Combined, the City has land resources and programs (existing and proposed) to accommodate the remaining RHNA of 3,566 units for lower and moderate income households on properties designated for RH and RMH densities. Since the City has more capacity than necessary to satisfy RHNA lower income demands, the surplus can be applied to satisfy moderate income needs. As the RHNA for above-moderate income housing has already been satisfied by residences constructed through 2006, there is no remaining need to address for this income group.

Table 3-11
Adequacy of Sites in Meeting Remaining RHNA

Sites	Lower Income	Moderate Income	Above Moderate Income	Total
Residential Sites	1,984	574	1,968	4,526
Mixed Use Sites	1,069	0	0	1,069
Second Units	80	0	0	80
Total	3,133	574	1,968	5,675
RHNA Remaining	2,355	1,211	---	3,566
Difference	+778	-637	+1,968	+2,109

Source: City of Carlsbad, February 2007.

The City's existing affordable housing program has been quite successful, despite severe market constraints related to the high cost of residential land. As shown in Table 2-15, Carlsbad property values are the second highest in the County, well above the County median. As discussed previously, there is a significant gap between the cost of producing affordable housing and the ability to recover those costs in the price of the housing. This gap is especially intensified by higher property values, which typically constitute the largest proportion of housing production costs.

Due to the high land costs, the willingness of prospective home buyers to pay extremely high housing prices to live in this desirable coastal community, and higher construction costs for multi-family housing, housing developers have consistently opted to build predominantly low density single-family home projects rather than higher density attached dwelling units.

Prior to the adoption of the City's Affordable Housing Program in the early 1990s (discussed below), there were very few higher density multi-family housing projects developed by the residential development industry. In fact, even the single-family residential projects have historically been developed at densities lower than the City's Growth Management Control Point.

The primary objective of state housing legislation passed in 2004 (AB 2348) is to mandate higher residential densities so as to facilitate the development of affordable housing. For Carlsbad and other jurisdictions considered as urban metropolitan areas, AB 2348 assumes a default density of 30 units per acre is appropriate to enable lower income housing, unless a local government can demonstrate otherwise through means such as incentives and flexible development standards, that it can achieve the production of such housing below the default density. While the City acknowledges that the availability of higher density residential sites is directly related to the achievement of higher density housing, experience has demonstrated that in general, and especially in highly desirable coastal communities such as Carlsbad, the private housing market would not develop affordable housing solely because of the availability of

high density land; instead, significant market intervention by local government is required.

Accordingly, in the early 1990s the City of Carlsbad implemented a comprehensive and rigorous Affordable Housing Program that: 1) established a minimum 15-percent inclusionary lower-income housing mandate for all residential projects; 2) offered unlimited density increases; 3) allowed for modifications to development standards to accommodate higher densities; and 4) provided significant City affordable housing subsidies.

Carlsbad has tailored its existing housing program to greatly increase the probability of increased housing affordability. A key component of its Affordable Housing Program is to allow increased density on any residential site, provided there is an increase in the affordability of the development. A critical part of this component involves the City's Growth Management Program. As discussed later in Section 4.B, the City has been recapturing all dwelling units not utilized on sites where the development was below the Growth Management Control Point. These excess dwelling units are set aside to be used for high priority housing needs, such as affordable housing.

The success of this approach is evidenced in **Table 3-12** below. The initial General Plan designation is kept at its original level and then the density is augmented through the City's Affordable Housing Program. For both rental and for-sale products shown in Table 3-12, the original allowable density of the sites ranged from 2.0 to 6.0 units per acre. The resulting density, after affordable housing density increases, ranged from 11.3 to 23.8 units per acre, with a vast majority of those projects being below 20 units per acre.

**Table 3-12
Original and Current Density for Affordable Housing Projects**

Project¹	Unit Count	Year Completed	Original Site Density	Project Density
Villa Loma	344	1996	6.0 du/ac	17.6 du/ac
Cherry Tree Walk	42	1999	3.2 du/ac	14.0 du/ac
Laurel Tree	138	2000	3.2 du/ac	15.3 du/ac
Poinsettia Station	92	2000	4.8 du/ca	16.4 du/ac
Vista Las Flores	28	2001	3.2 du/ac	13.7 du/ac
Sunny Creek	50	2002	2.0 du/ac	23.8 du/ac
Cassia Heights ²	56	2007	3.2 du/ac	21.1 du/ac
Poinsettia Place ³	90	Not yet under construction	3.2 du/ac; 6 du/ac	11.3 du/ac; 25 du/ac

Notes:

¹ All projects, except Poinsettia Place, are 100 percent affordable to lower income families.

² Cassia Heights is currently under construction.

³ Poinsettia Place was approved in 2006 and features 14 lower income units.

In summary, the Affordable Housing Program in Carlsbad shows that areas which can capture high housing prices due to desirable location can still produce affordable housing provided there is a regulatory mandate, development standards modifications, and subsidies from the City.

Nevertheless, in recognition of AB 2348 and to strengthen its ability to accommodate its remaining RHNA, Carlsbad has proposed to redesignate certain sites at minimum densities of 12 (RMH) and 20 (RH) units per acre, all of which are densities proven by Tables 3-3 and 3-12 to be adequate for lower and moderate income housing in Carlsbad, respectively. The City has also committed to establishing the same minimum densities for remaining unentitled and underutilized properties in the RMH and RH land use designations, and 20 units per acre for mixed use projects. In the Village Redevelopment Area, the City has also committed to raising the minimum density to 23 units per acre.

B. Financial Resources

Providing for an adequate level of housing opportunities for Carlsbad residents requires creative layering of funding. Often one single source of funding is inadequate to address the extensive needs and depth of subsidies required. The City must program the uses of limited funding effectively to maximize the number of households that can be assisted.

Two major sources of funding support affordable housing development in Carlsbad: Redevelopment Housing Set-Aside Fund and Affordable Housing Trust Fund. In addition, the City reserves a portion of the CDBG and HOME funds for affordable housing development. Other supplemental sources include Section 108 loan guarantee and Section 8 rental assistance.

The City's policy is to leverage, to the maximum extent feasible, the use of funds available in the development of affordable housing. The City supports the use of CDBG, HOME, and Redevelopment Housing Set Aside funds for predevelopment activities and "gap financing" of developments by private and nonprofit entities.

Redevelopment Housing Set-Aside Funds

Pursuant to State Community Redevelopment Law, a redevelopment agency must set aside at least 20 percent of the tax increment revenues generated in a project area for purposes of low and moderate income housing.

The City of Carlsbad has two Redevelopment Project Areas: Carlsbad Village Redevelopment Area and South Carlsbad Coastal Redevelopment Area. The Carlsbad Village Redevelopment Area was adopted in 1981 and covers 200 acres, including the historic district of the City. The effectiveness of this Redevelopment Area will expire on July 7, 2009. The South Carlsbad Coastal Redevelopment Area was adopted on July 18, 2000. This area includes the Ponto Beach area and the Encina Power Generating Facility.

As of July 1, 2005, the Redevelopment Low and Moderate Income Housing Fund for these two areas had an unencumbered balance of \$2,064,215. Over the five-year period of the Housing Element, the Carlsbad Housing and Redevelopment Commission (Commission) anticipates a total of \$3.2 million in Redevelopment Housing Set-Aside funds to be generated in the two Redevelopment Areas (\$2.3 million from Carlsbad Village Redevelopment Area and \$948,000 from South Carlsbad Coastal Redevelopment Area). Funding will be used to support affordable housing development and homeownership assistance.

Affordable Housing Trust Fund

With the implementation of the City's Inclusionary Housing Ordinance, the City established a Housing Trust Fund to collect fees generated from the Inclusionary Housing In-Lieu Fee and the sale of affordable housing credits to satisfy a developer's inclusionary housing obligation. All fees collected are used exclusively to facilitate the construction, preservation, and maintenance of affordable housing pursuant to the City's Inclusionary Housing Ordinance. As of July 1, 2005, the Housing Trust Fund had an unencumbered balance of \$14,600,777.

The Inclusionary Housing In-Lieu Fee is the single biggest contributor to the Housing Trust Fund. The City's Inclusionary Housing Ordinance requires 15 percent of new residential development to be reserved as affordable to lower income households. Developers of small projects with no more than six units have the option to pay a fee in lieu of providing on-site affordable units. At the discretion of the City, other options to providing units on-site, such as dedicating land, may also be possible.

HOME/CDBG Housing Reserve

The Community Development Block Grant (CDBG) Program is administered by HUD. Through this program, the federal government provides funding to jurisdictions to undertake community development and housing activities. The primary CDBG objective is the development of viable urban communities, including decent housing and a suitable living environment, and expanding economic opportunity, principally for persons of low-and moderate-income. The City of Carlsbad receives an allocation of approximately \$500,000 in CDBG funds annually.

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The City participates in the San Diego County HOME Consortium and receives an allocation of approximately \$280,000 in HOME funds annually.

The City has established a Housing Reserve Fund with allocations from its CDBG and HOME Programs to accumulate funds for creating additional affordable

housing opportunities in Carlsbad. Funds are used to help identify appropriate properties for possible acquisition and/or development of affordable units. Once an appropriate property is identified, Housing Reserve Funds may be reallocated for acquisition and/or development of a specific property.

Housing Reserve Funds were allocated to assist in purchasing the property at 2578 Roosevelt Street for affordable housing in March of 2004. An affordable housing developer has been selected to construct 11 affordable condominium units on the property, which is the approved Roosevelt Gardens project listed in Table 3-2.

CDBG Section 108 Loans

In the 1990s, the City received approximately \$1.2 million in a CDBG Section 108 loan to assist in the land acquisition for a 21-acre site for the construction of the Villa Loma Apartments. The City anticipates pursuing additional Section 108 loan guarantees to expand affordable housing opportunities in Carlsbad, as appropriate.

Section 8 Tenant-Based Rental Assistance Program

The Housing Choice Voucher Program is funded by HUD and administered by the City of Carlsbad Housing Agency. On average, the City utilizes roughly \$5.5 million from the Section 8 Rental Assistance Program.

According to the Carlsbad Housing Agency, approximately 1,940 households had received Section 8 assistance as of 2004. However, another 1,083 Carlsbad households were on the waiting list for Section 8 vouchers.

C. Administrative Capacity

The institutional structure and administrative capacity established to implement programs contained in the Housing Element include the City of Carlsbad, other public entities, and private developers, both for-profit and non-profit. The City works closely with private developers to construct, rehabilitate, and preserve affordable housing in the City.

City of Carlsbad

The City of Carlsbad's Housing and Redevelopment Department, Planning Department, and Building Department, under the organization of the Community Development Major Service Area, will be the lead departments in implementing a variety of programs and activities outlined in this Housing Element.

Housing and Redevelopment Department

The Housing and Redevelopment Department consists of the Carlsbad Housing Authority and Redevelopment Agency. Principal responsibilities of the Housing and Redevelopment Department include:

- Administering the CDBG program – A substantial amount of CDBG funds over the next five years will be allocated to projects that address the affordable housing needs of lower and moderate income households.
- Administering the Section 8 Housing Choice Voucher program – the Housing Authority provides approximately 650 Section 8 vouchers to eligible households.
- Implementing Housing Element programs – The Department will work with developers to create affordable housing opportunities for low income households.

Planning Department

Principal responsibilities of the Planning Department of the Community Development Major Service Area include:

- Preparing ordinances and policies to facilitate and encourage housing development for all income groups in Carlsbad.
- Assisting in the development of affordable housing.
- Tracking the number and affordability of new housing units built.

Building Department

Principal responsibilities of the Building Department include monitoring and reporting on existing housing units that are substandard and providing code enforcement services.

Housing Developers

Non-Profit Organizations

The City works with a number of non-profit developers to create affordable housing using the Housing Trust Fund and Redevelopment Housing Set-Aside funds. Specifically, the following non-profit developers are active in Carlsbad:

- Bridge Housing Corporation
- MAAC Project
- Community Housing Works
- Habitat for Humanity

For-Profit Developers

Private, for-profit developers will assist in the effort of creating affordable housing in Carlsbad through the City's Inclusionary Housing Ordinance. Per the ordinance, at least 15 percent of all housing units approved for any master plan community, specific plan, or qualified subdivision must be affordable to lower income households.

4. Constraints and Mitigating Opportunities

A variety of factors can encourage or constrain the development, maintenance, and improvement of housing in Carlsbad, particularly for low and moderate income households. Its coastal location and mesa/canyon topography imposes physical and regulatory constraints, as well as commands high land costs that present challenging market constraints. This section provides an analysis of various potential and actual constraints to housing development and preservation in Carlsbad. When an actual constraint is identified, the Housing Element must consider actions and opportunities that can mitigate the constraints. While certain factors may increase the costs of housing, such as construction/labor costs, their impacts are similar throughout the region and therefore do not impose disadvantages on the City. These factors are considered potential, but not actual constraints.

A. Market Constraints

Land costs, construction costs, and market financing contribute to the cost of housing reinvestments and can potentially hinder the production of new affordable housing.-

Land Cost

In most cities, land costs vary with site location, availability of infrastructure, and offsite conditions. In Carlsbad, location is the single greatest factor determining land prices. Carlsbad is a highly desirable place to live and many properties have coastal views. Proximity to freeway access, public facilities, and community image also contribute to the high land costs in the City.

The average cost per acre for a vacant single-family lot in September 2004 was \$903,236 per acre (**Table 4-1**). At that time, few vacant multi-family residential properties were for sale on the market. In September, the Multiple Listing Service (MLS) database listed one vacant multi-family lot where a four-plex could be built. The cost of this 0.13-acre lot was \$595,000. The cost of vacant residential land in Carlsbad is a significant market constraint to the production of new affordable housing.

**Table 4-1
Vacant Land Prices: September 2004**

Housing Type and Acres	Lot Size (acres)	Advertised Price	Average \$/acre
Single-Family	1.08	\$550,000	\$903,236
	2.50	\$550,000	
	0.57	\$650,000	
	0.14	\$898,500	
	0.48	\$900,000	
	3.31	\$990,000	
	0.57	\$1,000,000	
	0.12	\$1,100,000	
	1.89	\$2,990,000	
Multi-Family	0.13	\$595,000	\$4,576,923

Source: MLS Listings, September 2004.

Mitigation Opportunities

The City offers several opportunities to mitigate the impact of land costs on affordable housing development. Specifically:

- **Adequate Sites Inventory:** The City ensures, through land use planning actions, that an adequate supply of residential sites is available to meet the City's projected housing needs. This discussion is contained in Section 3, Resources Available.
- **Density Bonus:** The City offers density bonuses, pursuant to State law, to increase the yield (number of units) that can be achieved on a property, thereby reducing the per-unit land cost.
- **Eminent Domain/Friendly Condemnation:** The City may choose to acquire properties through friendly eminent domain proceedings. Through this process, the City is required to offer fair market value and the owner may accrue substantial tax benefits.
- **Land Banking/Surplus Land:** The City may acquire land and reserve it for future residential development. In addition to privately held properties, surplus land owned by the City and other public agencies offers additional opportunities for affordable housing. The acquired land can be resold with entitlement to a nonprofit developer at a reduced price to provide housing affordable to lower income households. The City may also accept land as an in-lieu contribution by a developer to fulfill the inclusionary housing requirement.

Construction and Labor Costs

The International Conference of Building Officials (ICBO) provides estimates on labor and material costs by type of construction. According to ICBO estimates, the average per-square-foot cost for "good" quality housing is approximately \$95 for multi-family housing and \$107 for single-family homes in California. Estimates are based on "good" quality Type V, wood-frame construction, providing materials and fixtures well above the minimum required by State and local building codes.

Historically, labor costs are relatively stable and fixed in comparison to land and improvement costs. However, in January 2002, Senate Bill 975 expanded the definition of public works and the application of the State's prevailing wage requirements to such projects. It also expanded the definition of what constitutes public funds and captured significantly more projects beyond just public works (such as housing) that involve public/private partnerships. Except for self-help projects under SB972, the recently passed SB 975 requires payment of prevailing wages for most private projects constructed under an agreement with a public agency providing assistance to the project. As a result, the prevailing wage requirement substantially increases the cost of affordable housing construction.

Mitigating Opportunities

Both construction and labor costs are similar throughout the region. While these costs add to the overall cost of housing, they do not pose an actual constraint to housing development in Carlsbad. Nevertheless, the City offers a number of incentives and assistance to help reduce the cost of construction for affordable housing. These include: density bonus, and direct financing assistance using CDBG/HOME Housing Reserve Fund, Housing Trust Fund, and redevelopment housing set-aside fund.

Home Financing

Although interest rates have stabilized at relatively low levels over the past few years, they still have a substantial impact on housing costs for purchasers. An additional obstacle for homebuyers continues to be the downpayment required by lending institutions. These factors often affect demand for ownership housing, driving up or depressing housing prices.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions must disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases and improvements, whether financed at market rate or through government-backed programs. The primary concern in a review of lending activity is to see whether home financing is generally available to all income groups in the community.

Conventional Lending

Overall, 4,198 households applied for mortgage loans for homes in Carlsbad in 2003 (**Table 4-2**). Of the applications for conventional mortgage loans, approximately 70.9 percent were originated (approved by the lenders and accepted by the applicants). The overall denial rate was 9.3 percent, while 19.7 percent of the applications were withdrawn, closed for incompleteness, or received approval, but the applicant did not accept the loan.

Among households that applied for home purchase loans in 2003, 691 were low and moderate income. Low and moderate income applicants had only slightly higher denial rates compared to above moderate income applicants.

Among the 268 applications for home improvement loans in 2003, 47 percent were originated, 25 percent were denied, and 28 percent were withdrawn, closed for incompleteness, or received approval, but the applicant did not accept the loan. Denial rates among low and moderate income applicants were significantly higher than rates for above moderate income households. Most likely, lower and moderate income households had high debt-to-income ratios to qualify for a second loan for home improvements.

Table 4-2
Disposition of Home Purchase and
Home Improvement Loan Applications

Applicant Income	Home Purchase Loans				Home Improvement Loans			
	Total Apps.	% Orig.	% Denied	% Other*	Total Apps.	% Orig.	% Denied	% Other*
Low Income (<80% MFI)	178	69.4	11.9	18.7	31	35.4	38.7	25.8
Moderate Income (80 to 120% MFI)	513	66.9	11.3	21.8	56	42.9	32.1	25.0
Above Moderate (>120% MFI)	3,320	72.5	8.5	19	178	51.1	20.2	28.7
Not Available	187	56.7	16	27.2	3	33.3	0	66.6
Total	4,198	70.9	9.3	19.7	268	47.4	24.6	28

Source: Home Mortgage Disclosure Act (HMDA), 2003.

Notes:

*"Other" includes applications approved but not accepted, files closed for incompleteness, and applications withdrawn.

Government-Backed Lending

In addition to conventional mortgages, HMDA (Home Mortgage Disclosure Act) tracks loans for government-backed financing (e.g. FHA, VA, or FSA/RHS).¹ However, home prices in Carlsbad often exceed the maximum home values established by these government-backed programs. In 2003, only 21 households applied for government-backed home mortgage loans for properties in Carlsbad. Of these applications, 62 percent were originated (approved by the lenders and accepted by the applicants), 19 percent were denied, and 19 percent were withdrawn, closed for incompleteness, or received approval, but the loan was not accepted by the applicant. Only one application for a government-backed home improvement loan was processed in 2003 and the loan was originated.

Mitigating Opportunities

Results of the HMDA analysis indicate a gap in the availability of home financing for lower and moderate income households, particularly for rehabilitation financing. The City will continue to offer a range of homebuyer assistance, as well as rehabilitation assistance programs for lower and moderate income households.

B. Government Constraints

Local policies and regulations can affect the price and availability of housing. Land use controls, growth management program, development standards, site improvements, fees and exactions, permit processing procedures, and other issues may present potential and actual constraints to the maintenance, development, and improvement of housing.

Land Use Controls

The Land Use Element of the Carlsbad General Plan sets forth policies for guiding local development. The distribution of land use designations within the City are based on several geographical and locational constraints. These constraints include: McClellan/Palomar Airport, San Diego Gas & Electric power plant, Encina wastewater treatment plant, regional commercial areas along Interstate 5 and Highway 78, open space reserves, habitat, beaches and lagoons, as well as the City's overall mesa/canyon topography. The airport, power plant and wastewater treatment plant preclude residential development in close proximity due to potential public health and safety concerns. The natural constraints such as hilly topography, beaches and lagoons also limit the extent and density of residential uses.

¹ Government-backed financing includes those backed by the Department of Veteran Affairs (VA), Federal Housing Administration (FHA), and Farm Service Agency/Rural Housing Services (FSA/RHS). Downpayment assistance, silent second, and other mortgage assistance programs offered by local jurisdictions are not tracked by HMDA.

Constraints and Mitigating Opportunities

Carlsbad's Land Use Element establishes five residential designations ranging in density from 1.0 dwelling units per acre to 23.0 dwelling units per acre (**Table 4-3**). As discussed later under Growth Management, the Growth Control Point represents the residential cap invoked by Carlsbad's Growth Management Program. Certain findings regarding the provision of adequate facilities and the densities of neighboring developments must be made to exceed the Growth Control Point density cap.

Table 4-3
Land Use Designations and Implementing Zones

Land Use Designation	Allowed Density (du/ac)	Growth Control Point (du/ac)	Implementing Zone
RL- Residential Low Density	0.0 - 1.5	1.0	R-1, R-A, PC, RMHP
RLM - Residential Low Medium Density	0.0 - 4.0	3.2	R-1, R-A, PC, RMHP
RM - Residential Medium Density	4.0 - 8.0	6.0	R-1, R-2, RD-M, PC, RMHP
RMH - Residential Medium High Density	8.0 - 15.0	11.5	R-3, RD-M, PC, RMHP, R-P
RH - Residential High Density	15.0 - 23.0	19.0	R,3, RD-M, PC, RMHP, R-P, R-W

Source: Carlsbad General Plan, Amended September 13, 2005.

Growth Management Plan

In 1986, Carlsbad voters passed Proposition E, which ratified the City's Growth Management Plan. This program lowered the City's residential buildout capacity and imposed very specific facility improvement and/or fee requirements for all new development. The program divided the City into four quadrants and established a dwelling unit cap per quadrant. The cap for the entire City is 54,600 units, although the individual quadrant caps cannot be exceeded without approval from Carlsbad voters.

Growth Control Point

The Growth Control Point identified for each land use designation in **Table 4-3** is the maximum density allowed under the General Plan. A development may not exceed the Growth Control Point unless the following three findings can be made:

- The project will provide sufficient public facilities for the density in excess of the control point to ensure that the adequacy for the City's public facilities plans will not be adversely impacted;
- There have been sufficient developments approved in the quadrant at densities below the control point to cover the units in the project above the control point so that approval will not result in exceeding the quadrant limit; and

- All necessary public facilities required by the Growth Management Ordinance will be constructed or are guaranteed to be constructed concurrently with the need for them created by the development and in compliance with adopted City standards.

Excess Dwelling Units

Due to housing market conditions, many developments throughout Carlsbad have been constructed below the Growth Control Point. Each of these projects generates "excess dwelling units" that may be applied to future developments that provide certain community benefits, including the provision of affordable housing and housing for seniors. Excess dwelling units are held in an "excess dwelling unit bank", which is maintained by quadrant.

On February 6, 1990, the City Council established Council Policy Statement 43 to set out the procedures and policies regarding withdrawals from and the usage of dwelling units from the Excess Dwelling Unit Bank. On December 17, 2002, the City Council amended Policy Statement 43 to:

- Reduce the number of accumulated excess dwelling units available citywide at the time from 5,985 to 2,800;
- Authorize withdrawals from the banks to be utilized in "qualifying" projects anywhere within the city; and
- Establish that "qualifying" projects were limited to the following types of development proposals:
 - Projects that include a request for a density bonus;
 - Housing for lower or moderate-income families;
 - Senior housing;
 - Housing located within either of the City's two Redevelopment Project Areas, which includes the Village;
 - Transit-oriented/"smart growth" developments;
 - Conversions of general plan land use designations from non-residential to residential; and
 - Single-family developments, in infill-areas, under stipulated conditions.

As of January 1, 2007, the Excess Dwelling Unit Bank had a balance of 2,953 units. The previous section of the Housing Element, Housing Resources, indicates that the City has a remaining Regional Housing Needs Assessment (RHNA) of 3,566 units, including 2,355 units for lower income households and 1,211 units for moderate income households. In the past, the City has relied on withdrawals from the Excess Dwelling Unit Bank to facilitate the development of housing affordable to lower income households.

Tables 3-4, 3-6, 3-7, 3-9 and 3-10 identify proposed residential and mixed use sites that could help accommodate the City's remaining lower and moderate income RHNA. Additionally, some of the sites listed in the tables would need the approval of General Plan Amendments and other

Constraints and Mitigating Opportunities

planning document changes to re-designate the sites to allow residential uses or establish a higher residential density. Some of these identified sites currently allow for a maximum number of dwelling units (see "Dwelling Units Permitted" column in **Table 4-4**) based upon their site acreage multiplied by the Growth Control Point of the existing land use designation. Other identified sites currently do not permit residential uses, such as shopping center sites, or do not have any specific densities allowed by right, such as properties in the Village. Any dwelling units proposed above what is currently permitted would need to be withdrawn from the Excess Dwelling Unit Bank.

The City has a remaining RHNA of 3,566 lower and moderate income units. The identified sites, based on current Growth Control Point densities, allow for the development of 941 of the City's remaining lower and moderate income RHNA. The balance of the remaining lower and moderate income RHNA units (2,625 units) would need to be withdrawn from the Excess Dwelling Unit Bank. The existing 2,953 units in the Excess Dwelling Unit Bank are adequate to address the City need for lower and moderate income housing.

Table 4-4
Dwelling Units Permitted on Vacant and Underutilized Residential
and Mixed Use Sites Based on Current Growth Control Points

Property	APN	Dwelling Units Permitted
Canyon View	Portions of 215-020-07, 215-050-21, 22, 215-050-44-47	150
MAG	223-060-31	0
Ponto	216-140-17	0
Quarry Creek	Portions of 167-040-21	123
Vacant Unentitled RH Land	Various	276
Underutilized RH sites	Various	104
Second Dwelling Units	Various	0
Village Redevelopment Area	Various	0
Commercial Mixed Use MAG	Portion of 223-060-32	0
Commercial Mixed Use Ponto	Portion of 216-140-18	0
Vacant Unentitled RMH Land	Various	202
Underutilized RMH Land	Various	86
Shopping Center Mixed Use	Various	0
Total		941

Local Facility Management Plan

To facilitate effective implementation of the Growth Management Plan, the City is split into 25 different facility zones and requires the preparation of a Local Facility Management Plan (LFMP) for each zone prior to approving development in the affected zone. LFMPs have been prepared and development has occurred in all the City's zones, except for Zone 25, located in Carlsbad's north end. The Quarry Creek site, portions of which will be redesignated for RH and RMH land uses as part of a new Housing Element program, is in Zone 25. The City estimates that preparation of a city-initiated LFMP, and related general plan and zoning amendments and an environmental impact report will take two years.

Provisions for a Variety of Housing Types

Carlsbad's Zoning Code accommodates a range of housing types in the community. Housing types permitted include standard single-family and multi-family housing, mobile homes, second units, mixed-use opportunities, as well as housing to meet special housing needs, such as farm labor housing, and housing for persons with disabilities. **Table 4-5** summarizes and the following text describes the types of housing permitted in each residential and commercial zone.

**Table 4-5
Housing Types by Residential Zone Category**

Uses	E-A	R-E	R-A	R-1	R-2	R-3	R-P	R-W	R-DM	R-T	RMHP	PC
One Family Homes	A	P	P	P	P	p ³	p ⁵	p ³	p ⁸			P
Two Family Homes					P	P	p ⁶	P	P			P
Multi-Family Housing					p ²	p ⁴	p ⁴	p ⁴	P			P
Second Units		A ¹	A ¹	A ¹	A ¹	A ¹	A ¹	A ¹	A ¹	A ¹		p ⁸
Mobile Homes	A	P	P	P	P	p ³		p ³			P	P
Large Residential Care Facility (>6 persons)						C	C ⁷					P
Small Residential Care Facility (≤6 persons)	A	P	P	P	P	P	P	P				P
Emergency Shelters												
Transitional Housing												

Source: City of Carlsbad Municipal Code, Amended September 28, 2004.

Notes: A=Permitted Accessory Use; P=Permitted Use; C=Conditionally Permitted Use

¹ Accessory to one-family dwelling only.

² A multiple-family dwelling with a maximum of four (4) units may be erected when the side lot line of a lot abuts R-P, commercial or industrial zoned lots, but in no case shall the property consist of more than one lot, or be more than 90 feet in width.

³ One-family dwellings are permitted when developed as two or more detached units on one lot. Also, a single one-family dwelling shall be permitted on any legal lot that existed as of September 28, 2004, and which is designated and zoned for residential use.

⁴ With approval of a Site Development Plan.

⁵ When the zone implements the RMH or RH land use designation.

⁶ When the zone implements the RMH land use designation.

⁷ When the zone implements the O land use designation.

⁸ Permitted when the zone implements the RM land use designation. Otherwise, one-family dwellings are permitted when developed as two or more detached units on one lot. Also, a single one-family dwelling shall be permitted on any legal lot that existed as of September 28, 2004, and which is designated and zoned for residential use.

Multi-Family Units

Multi-family units comprise roughly 29 percent of Carlsbad's housing stock and are permitted in six of the City's residential zones. Two-family units are permitted in the R-2, R-3, R-DM, R-W, and PC zones, while multi-family uses up to four units are permitted in the R-2 zone when the side lot line of a lot abuts R-P, commercial, or industrial zoned lots. Larger multi-family projects are permitted in the R-3, R-DM, R-W, and PC zones with approval of a Site Development Plan.

Second Units

Second dwelling units are permitted as an accessory use to a one-family dwelling in the R-E, R-A, R-1, R-2, R-3, R-P, R-W, R-DM, and R-T zones. City regulations require that if rented, second units must be rented at rates that are affordable to low income households.

Manufactured Housing and Mobile Homes

State housing law requires communities to allow manufactured housing by right on lots zoned for single-family dwellings. However, the City can regulate the architectural design of a manufactured home or mobile home. The City's current requirements for manufactured housing and mobile homes comply with State law. Mobile homes parks are also permitted in the RMHP zone.

Emergency Shelters/Transitional Housing

An emergency shelter is a facility that houses homeless persons on a limited short-term basis. Transitional housing is temporary (typically six months to two years) housing for an individual or family transitioning to permanent housing. The Zoning Code does not currently reference either type of facility directly, although churches may provide temporary shelter.

Farm Labor Housing

The City permits agricultural use as a permitted use in many zones, including:

- Exclusive Agricultural (E-A)
- Residential Agricultural (R-A)
- Rural Residential Estate (R-E)
- One-Family Residential (R-1)
- Two-Family Residential (R-2)
- Multiple-Family Residential (R-3)
- Open Space (O-S)

While the City has established a zoning district of Exclusive Agricultural (E-A), only three, small scattered properties are zoned E-A.

Pursuant to the State Employee Housing Act (Section 17000 of the Health and Safety Code), employee housing for agricultural workers consisting of no more than 12 beds in a group quarters or 12 units or spaces designed for use by a single family or household is permitted by right in an agricultural land use designation. Therefore, for properties that permit agricultural uses by right, a local jurisdiction may not treat employee housing that meets the above criteria any differently than an agricultural use.

Furthermore, any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure with a residential land use designation, according to the Employee Housing Act. Employee housing for six or fewer persons is permitted where a single-family residence is permitted. No conditional or special use permit or variance is required.

In 2004, the City amended the Zoning Code to conditionally permit farm labor housing for more than 12 persons in a group quarters or 12 units/spaces for

households in the E-A, R-P, O, C-1, C-2, C-T, C-M, M, P-M, P-U, O-S, C-F and C-L zones.

Licensed Community Care Facilities

The California Health and Safety Code requires that certain community care facilities serving six or fewer persons be permitted by right in residential zones. Moreover, such facilities cannot be subject to requirements (development standards, fees, etc) more stringent than single-family homes in the same district. The Carlsbad Zoning Code states that residents and operators of a residential care facility serving six or fewer persons are considered a "family" for purposes of any zoning regulation relating to residential use of such facilities. Therefore, small residential care facilities are permitted under the same conditions and in the same locations as one-family, two-family, and multiple-family dwellings. Residential care facilities serving more than six persons are conditionally permitted in the R-3, R-D-M and C-2 zones and the R-P zone when that zone implements the RMH or RH land use designation.

Housing for Persons with Disabilities

The State Housing Element law requires a jurisdiction review its policies and regulations regarding housing for persons with disabilities.

Zoning and Land Use: The City of Carlsbad complies with the State law regarding small licensed community care facilities for six and fewer persons. Facilities serving more than six persons are conditionally permitted in the R-3, R-D-M, C-2 and R-P zones (see discussion above under "Licensed Community Care Facilities").

Furthermore, the Carlsbad Zoning Code provides for the development of multi-family housing in the R-2, R-3, R-P, R-W, and R-DM zones. Regular multi-family housing for persons with special needs, such as apartments for seniors and the disabled, are considered regular residential uses permitted by right in these zones. The City's land use policies and zoning provisions do not constrain the development of such housing.

Definition of Family: Local governments may restrict access to housing for households failing to qualify as a "family" by the definition specified in the Zoning Ordinance. Specifically, a restrictive definition of "family" that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities but not for housing families that are similarly sized or situated.²

² California court cases (City of Santa Barbara v. Adamson, 1980 and City of Chula Vista v. Pagard, 1981, etc.) have ruled an ordinance as invalid if it defines a "family" as (a) an individual; (b) two or more persons related by blood, marriage, or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. These cases have explained that defining a family in a manner that distinguishes between blood-

The City of Carlsbad Zoning Ordinance defines a "family" as "a reasonable number of persons who constitute a bona fide single housekeeping unit. Residents and operators of a residential care facility serving six or fewer persons shall be considered a family for purposes of any zoning regulation relating to residential use of such facilities." However, since the Zoning Ordinance does not differentiate between related and unrelated individuals nor does it specify the number of persons to be considered reasonable, this definition is not considered restrictive nor does it present a constraint to housing for persons with disabilities.

Building Codes: The City enforces Title 24 of the California Code of Regulations that regulates the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Compliance with provisions of the Code of Regulations, California Building Standards Code, and federal Americans with Disabilities Act (ADA) is assessed and enforced by the Building Department as a part of the building permit submittal.

Reasonable Accommodation Procedure: Both the Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and access housing.

Requests for reasonable accommodations with regard to zoning, permit processing, and building codes are reviewed and processed by either the Planning or Building Department on a case-by-case basis, depending on the nature of the requests. However, the City does not have a formal procedure for processing requests for reasonable accommodation.

Mitigating Opportunities

The City recognizes the importance of providing a variety of housing to meet the varied needs of its residents. The City will amend its Zoning Code to address the following types of housing:

- **Emergency Shelters and Transitional Housing:** The City will amend the Zoning Code to conditionally permit emergency shelters and transitional housing in the P-M zone. The conditions for approving these uses will be similar to those required for similar uses in the same zones. Conditions will relate to the performance of the use, such as parking standards, security, and hours of operation.

related and non-blood related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning and land use planning powers of a municipality, and therefore violates rights of privacy under the California Constitution.

- **Reasonable Accommodation Procedure:** In addition, the City will adopt an ordinance to establish a formal policy on reasonable accommodation. The ordinance will specify the types of requests that may be considered reasonable accommodation, the procedure and reviewing/approval bodies for the requests, and waivers that the City may offer to facilitate the development and rehabilitation of housing for persons with disabilities.

Residential Development Standards

Carlsbad regulates the type, location, appearance, and scale of residential development primarily through the Zoning Code. Zoning regulations are designed to maintain the quality of neighborhoods, protect the health, safety, and general welfare of the community, and implement the policies of the City's General Plan. **Table 4-6** summarizes the residential development standards in Carlsbad.

**Table 4-6
Basic Residential Development Standards**

Characteristic of Lot, Location & Height	R-E	R-A	R-1	R-2	R-3	RD-M	R-W	R-T	R-P	RMHP
Minimum Net Lot Area (in square feet)	43,560 (1 acre)	7,500- 21,780	6,000- 21,780	6,000- 7,500	7,500	6,000- 10,000	5,000	7,500	7,500	3,000- 3,500
Density Ranges (in du/ acre)	0-1.5	0-4	0-8	4-8	8-23	4-23	15-23	—	8-23	—
Minimum Lot Width (feet)	300'	60'-80'	60'-80'	60'-80'	50'-60'	60'	40'	—	60'-80'	50'
Maximum Lot Coverage	20%	40%	40%	50%	60%	60%	75%	—	60%	75%
Minimum Setbacks (feet)										
Front	70'	20'	20'	20'	20'	10'-20'	10'	20'	20'	5'
Side	15'-50'	5'-10'	5'-10'	5'-10'	5'-10'	5'-10'	4'-8'	5'-10'	5'-10'	3'
Rear	--	--	10'-20'	10'-20'	10'-20'	10'	8'	20'	20'	3'-5'
Maximum Height (in feet)	35'	24'-35'	24'-35'	24'-35'	35'	35'	35'	35'	35'	--

Source: City of Carlsbad, 2005.

Notes:

¹For key lots and lots which side upon commercially or industrially zoned property, the minimum setback is 15 feet.

²Interior lot side yards must have a minimum setback of 10 percent of the lot width, but must be within 5 to 10 feet. Corner lot side yards facing the street must be 10 feet and extend the length of the lot.

³A minimum of 15-foot setback permitted providing carport or garage openings do not face the front yard and a minimum of 10 feet providing carport or garage openings do not face the yard and that the remaining front yard is landscaped with a combination of flowers, shrubs, trees, and irrigated with a sprinkler system plans shall be approved by the planning director prior to issuance of a building permit for a proposed structure. Equal to 20 percent of lot width, not to exceed 20 feet.

Building Standards

Single-family home projects typically range from four units per acre in the R-A zone to eight units per acre in the R-1 zone, depending on which General Plan land use designation the zone implements, specific site conditions, and amenities provided. In addition, one unit per lot is permitted in the R-E zone.

Multi-family developments range from 4 to 23 units per acre in various zones, including the R-2, R-3, R-W or RDM zones, depending on which General Plan land use designation the zone implements, specific site conditions, and amenities provided.

The maximum height permitted in all zones is between 24 and 35 feet. Minimum lot area ranges from 3,000 square feet in the RMHP zone to 1 acre in the R-E zone. Residential developments are required to provide a reasonable amount of open space per unit; therefore, a maximum lot coverage of 40 to 60 percent of available land can be developed within each zone. Overall, the City's development standards are typical and consistent with a community that is constrained by its hilly topography.

Parking

Parking requirements in Carlsbad vary depending on housing type, based on anticipated parking needs (**Table 4-7**).

Table 4-7
Parking Requirements

Use	Parking Requirement
Standard single family dwellings in R-1, R-A, E-A and RE Zones	2 spaces per unit in a garage.
Planned Unit Developments or Condominiums	Studio: 1.5 covered spaces per unit Other units: 2.0 covered spaces per unit Guest parking: 0.5 spaces per unit (<10 units); 5 spaces plus 0.25 spaces per unit (over 10 units)
Apartments	Studio and 1-bedroom: 1.5 spaces per unit 2+Bedrooms: 2.0 spaces per unit Guest parking: 0.5 spaces per unit (<10 units) 5 spaces plus 0.25 spaces per unit (over 10 units)
Mobile homes in mobile home parks.	2.0 spaces per mobile home plus 1.0 guest space per 4 units.
Second dwelling units	1.0 space per unit.
Residential care facilities	2.0 spaces plus one guest space per three beds.
Housing for seniors	1.5 spaces per unit plus one guest space per five units.

Source: City of Carlsbad Municipal Code, 2005.

Mitigating Opportunities

Pursuant to the State density bonus law, the City offers density increases and/or in-lieu incentives in order to facilitate the development of housing affordable to lower and moderate income households. Depending on the percentage of affordable units and level of affordability, a maximum density bonus of 35 percent may be achieved. Pursuant to the City's Zoning Code, incentives in-lieu of density increases may include the following:

- A reduction in site development standards or a modification of Zoning Code requirements or architectural design requirements that exceed the minimum building standards approved by the State Building Standards Commission;
- Approval of mixed use zoning in conjunction with the housing development;
- Other regulatory incentives or concessions proposed by the developer or the City which result in identifiable cost reductions;
- Partial or additional density bonus;
- Subsidized or reduced planning, plan check or permit fees; and
- Direct financial aid including, but not limited to redevelopment set-aside funding, Community Development Block Grant funding, or subsidizing infrastructure, land cost or construction costs or other incentives of equivalent financial value based upon the land costs per dwelling unit.

Furthermore, developments meeting the State density bonus requirements may use the State parking standards:

- Studio and one-bedroom: 1 parking space
- Two- and three-bedroom: 2 parking spaces
- Four or more bedrooms: 2.5 parking spaces

These requirements include guest and handicapped parking.

Development Review Process

City Review

Carlsbad's review process depends on the project type and complexity, and whether a major variation in development standards, land use, or operating conditions is requested. If the proposed project involves ownership units, then either a tentative tract map or parcel map is required. If condominium ownership is proposed, then either a Planned Unit Development (PUD) permit or a Condominium (Condo) Permit is required. This PUD or Condo Permit process

Constraints and Mitigating Opportunities

allows review of project design features, such as architecture, site design, landscaping, and recreation areas.

The discretionary review process for rental apartments is less onerous. Apartment projects with less than four units are allowed by right in multi-family zones, provided they meet General Plan density thresholds. Since only a building permit is required, apartment complexes with four or fewer units provide an opportunity for infill of underutilized sites. Apartment developments with more than four units must submit a Site Development Plan (SDP) and go before the Planning Commission. The Planning Commission review of the SDP pertains only to design features of the development since the residential use is allowed by right.

The timeframe for processing can vary, depending on the size and type of development, permits required, and approving entity (**Table 4-8**). Typical processing time for a single-family home is two to three weeks, while larger subdivisions can take 8 to 12 months (from the application date to approval date).

Table 4-8
Discretionary Reviews for Residential Projects

Type of Development	Permits Required	Approving Entity	Processing Time
Single-Family House (1 Unit)	Building Permit	Building Official	2 – 3 weeks
Single-Family Standard Subdivision (1-4 Units)	Tentative Parcel Map	City Engineer	3 – 6 months
Single-Family Small-lot Subdivision (1-4 Units)	Tent. Parcel Map PUD Permit	City Engineer Planning Director	4 – 8 months
Single-Family or Multi-family Condominiums (1-4 Units)	Tent. Parcel Map PUD Permit or Condo Permit	City Engineer Planning Director	4 – 8 months
Single-Family or Multi-family Apartments (1-4 Units)	Building Permit	Building Official	3 – 5 weeks
Single-Family Standard Subdivision (5-50 Units)	Tent. Tract Map	Planning Commission	6 – 9 months
Single-Family Small-lot Subdivision (5-50 Units)	Tent. Tract Map PUD Permit	Planning Commission	6 – 11 months
Single-Family or Multi-family Condominiums (5-50 Units)	Tent. Tract Map PUD Permit or Condo Permit	Planning Commission	6 – 11 months
Single-Family or Multi-family Apartments (5-50 Units)	Site Development Plan	Planning Commission	6 – 11 months
Single-Family Standard Subdivision (over 50 Units)	Tent. Tract Map	City Council	8 – 12 months

**Table 4-8
Discretionary Reviews for Residential Projects**

Type of Development	Permits Required	Approving Entity	Processing Time
Single-Family Small-lot Subdivision (over 50 Units)	Tent. Tract Map PUD Permit	City Council	8 – 12 months
Single-Family or Multi-family Condominiums (over 50 Units)	Tent. Tract Map PUD Permit or Condo Permit	City Council	8 – 12 months
Single-Family or Multi-family Apartments (over 50 Units)	Site Development Plan	Planning Commission	6 – 11 months

Source: City of Carlsbad, 2006.

California Coastal Commission

The City has obtained Coastal Development Permit jurisdiction for five of the six Local Coastal Plan (LCP) segments (excluding the Agua Hedionda Lagoon LCP) within its boundaries. Development within these five LCP segments of the coastal zone consistent with the Local Coastal Plan is not required to be reviewed by the Coastal Commission.

San Diego Regional Airport Authority

Carlsbad is home to the McClellan-Palomar Airport, a public aviation facility. Pursuant to State law, all GPAs, Zone Code amendments, Master and Specific Plan amendments in Carlsbad must be reviewed by the San Diego County Regional Airport Authority. The SDCRA has 60 days for the review. However, the City Council has the authority to override the SDCRA review with a four-fifth vote. Since this requirement is applicable to all jurisdictions located near airports/airfields, this requirement is not unique to the City of Carlsbad and does not constitute an actual constraint to housing development.

Mitigating Opportunities

The City complies with State requirements for streamlining the permit processing procedures. In addition, the City offers priority processing for affordable housing projects, reducing the review time for discretionary permits.

Building Codes

There have been many revisions to the applicable building, electrical, plumbing, and mechanical codes since the last Housing Element Update in 1999. In 1999, the City had adopted various editions of the Uniform Building, Plumbing, Electrical, and Mechanical codes. In 2001, the State of California consolidated these codes into the California Building Standards Code, which is contained in Title 24 of the California Code of Regulations. The California Building Standards

Constraints and Mitigating Opportunities

Code contains eleven parts: Electrical Code, Plumbing Code, Administrative Code, Mechanical Code, Energy Code, Elevator Safety Construction Code, Historical Building Code, Fire Code, and the Code for Building Conservation Reference Standards Code.

In the interest of increasing safety of structures and improvements, the City has adopted the 2001 edition of the California Building Code with minor amendments largely affecting buildings exceeding 35 feet in height by various building construction type. However, residential structures in the City have a maximum height limit of 35 feet and therefore, are not likely to be impacted by these amendments.

Fees and Exactions

The City of Carlsbad collects planning and development fees to cover the costs of processing permits. The City also charges impact fees to recover the cost of providing the necessary public services, infrastructure, and facilities required to serve new residential development. Carlsbad's development and permit fee schedule is presented in **Table 4-9**.

Table 4-9
Development Impact and Permit Issuance Fee Schedule

Fee Type	Fee	Fee Type	Fee
Administrative Variance	\$650	Planned Development or Condominium	
Planning	\$160	Minor (<5 units)	\$2,600
Redevelopment		Major (5-50 units)	\$7,210
Affordable Housing		Major (51+ units)	\$11,390
Impact	\$2,925/du	Sewer Connection	\$1,047
In-Lieu	\$4,515/du	Site Development Plan	
Coastal Development Permit		Minor (<4 units)	\$3,850
Single Family Lot	\$930	Major (all non-residential)	\$9,770
2-4 Lot	\$1,880	Specific Plan	\$30,100
5+ Units or Lot Subdivision	\$3,060	Tentative Tract Map	
Conditional Use Permit	\$3,870	5-49 units/lots	\$7,070
Environmental Impact Report	\$17,300	50+ units/lots	\$14,200

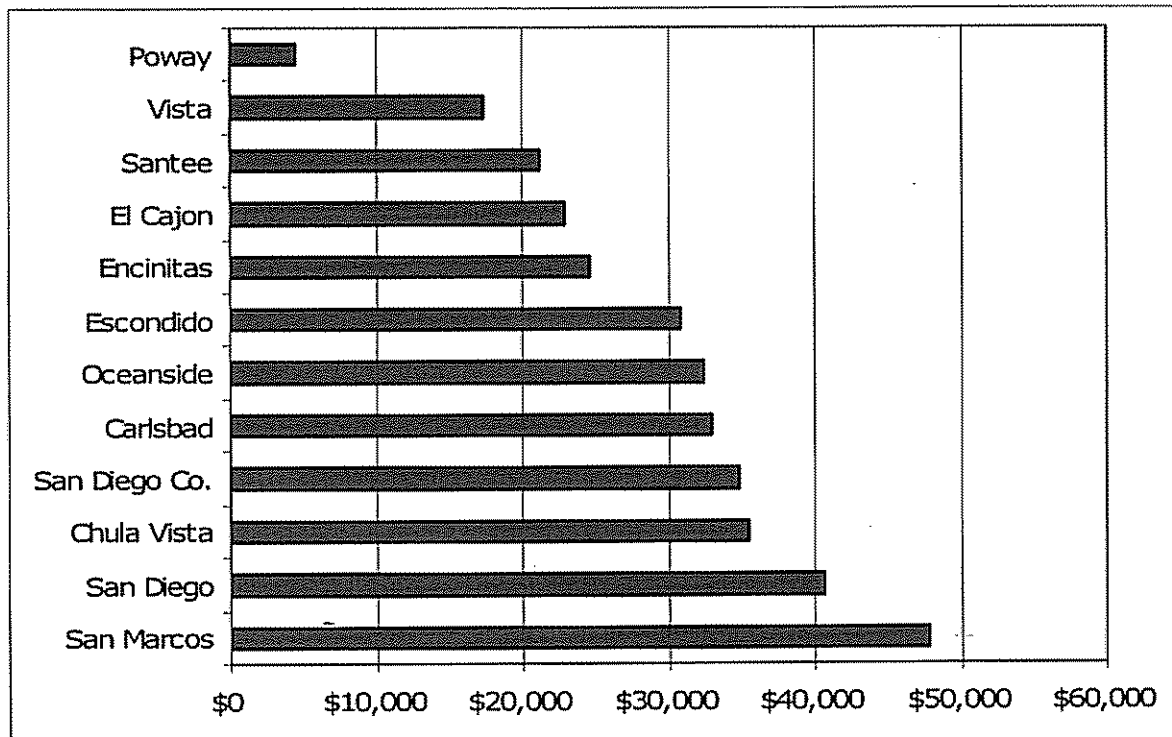
**Table 4-9
Development Impact and Permit Issuance Fee Schedule**

Fee Type	Fee	Fee Type	Fee
General Plan Amendment		Traffic Impact Fee	
0-5 Acres	\$3,680	Single Family	\$720- \$1,110/unit (in/out of CFD)
Over 5 Acres	\$5,310	Condominiums	\$560- \$856/unit (in/out of CFD)
Grading Plan Check	\$360-\$8,340 (based on cubic yards graded)	Apartments	\$420- 642/unit (in/out of CFD)
Grading Permit	\$360-\$15,230 (based on cubic yards graded)	Commercial/Industrial	\$29-45/ADT
Habitat Management Plan Permit			
Minor	\$940		
Major	\$3,450		
Hillside Development Permit		Variance	
Single Family	\$1,070	Planning	\$2,440
Other	\$2,070	Redevelopment	\$360
Local Coastal Program Amendment	\$5,380	Zone Change	
Final Map (Major Subdivision)	\$6,430+\$5/acre	<5 acres	\$4,230
Parcel Map (Minor Subdivision)	\$3,025	5+ acres	\$5,730
Master Plan	\$36,040		

Source: City of Carlsbad, September 2006.

The San Diego Building Industry Association (BIA) prepares an annual survey of development impact and permit issuance fees for jurisdictions in the San Diego region. As part of the 2005 survey, the BIA compared the permit issuance fees for a 4-bedroom/3-bath/2700-square-foot prototypical home (**Figure 4-1**). Among the participating jurisdictions in the North County area, Carlsbad had moderate fees for the prototype home (\$32,971). Fees in Poway were the lowest (\$4,500), while fees for the prototype home in San Marcos were the highest (\$47,829).

Figure 4-1
Permit and Development Impact Fees



Source: San Diego Building Industry Association, 2005.

Mitigating Opportunities

Carlsbad's development fees do not unduly constrain the development of affordable housing in the City. Although the City does not waive fees for affordable housing projects, the Housing and Redevelopment Department provides financial assistance to most affordable housing projects constructed in Carlsbad using a variety of funding sources, including redevelopment housing set-aside, Housing Trust Fund, and CDBG/HOME Housing Reserve Fund.

C. Environmental Constraints

Environmental constraints to residential development typically relate to the presence of sensitive habitat, water supply, topography, and other environmental hazards that can limit the amount of development in an area or increase the cost of development. This section analyzes these potential constraints.

Endangered Species/Sensitive Habitat

Carlsbad contains many areas where native habitat hosts endangered or sensitive species. Protection of many of the species is mandated by federal and state laws. The presence of sensitive or protected habitat and/or species can constrain the amount of developable land. With the price of land so high in Carlsbad, this type of constraint on otherwise developable land would make the construction of affordable housing less feasible.

Mitigating Opportunities

With the adoption of the Habitat Management Plan (HMP) in 2004, the processing time for housing development and associated costs are reduced.

Water Supply

Although Carlsbad and the San Diego County Water Authority (SDCWA) do not foresee short-term water supply problems, the City cannot guarantee the long-term availability of an adequate water supply. Recent State law requires that the local water purveyor prepare a water supply assessment for larger subdivisions to ensure adequate long-term water supply for single-year and multi-year drought conditions prior to issuance of a building permit. The City also actively implements several water conservation programs and has an extensive network for the collection, treatment, and circulation of recycled water for non-potable uses throughout the City. In 2006, the City approved the Carlsbad Seawater Desalination Plant. If approved by the Coastal Commission and built, the desalination plant would provide 100 percent of the potable water needs of the Carlsbad Municipal Water District, which serves most of the city.

Mitigating Opportunities

Pursuant to State law, affordable housing projects should be given priority for water and sewer services should supply or capacity become an issue.

Topography

Certain topographic conditions can limit the amount of developable land and increase the cost of housing in Carlsbad. For safety and conservation purposes, Carlsbad's Hillside Development Ordinance does not allow significant amounts of grading without regulatory permits. In addition, land that has slopes over 40

Constraints and Mitigating Opportunities

percent is precluded from the density calculation. Development on slopes greater than 25 percent but less than 40 percent is permitted at half the site's base density. Thousands of acres of land in Carlsbad are constrained by topography. Where residential development is permitted on moderate slopes, the cost of improvement and construction in these areas increases and can affect the end price of the unit. For safety concerns and the community goal of preserving the unique scenic qualities of hillside topography, these policies on hillside development are necessary.

McCellan/Palomar Airport

The McCellan/Palomar Airport is located east of the I-5 and north of Palomar Airport Road within the City limits. The significant restrictions to residential development are the flight activity zone and within certain projected noise contour levels. The flight activity zone contains areas restricted from certain uses due to potential crash hazards. The projected noise contour levels are used to quantify noise impacts and to determine compatibility with land uses. State noise standards have adopted the 65 CNEL (Community Noise Equivalent Level) as the noise environment not suitable for residential use.

Mitigating Opportunities

The Carlsbad General Plan Land Use Element designates the area around the Airport primarily for industrial and agricultural uses. Multi-family residential development may be permitted providing it serves with or is built in conjunction with adjoining industrial development. Any multi-family housing within the 65 CNEL is subject to a noise study and required mitigation measures.

5. Review of 1999 Housing Element

Before devising a new five-year housing plan for the 2005-2010 Housing Element, the City reviewed the housing programs contained in the 1999 Housing Element for effectiveness and continued appropriateness. Appendix B provides a program-by-program discussion of achievements since 1999. The continued appropriateness of each program is also noted. Section 6, Housing Plan, of this 2005-2010 Housing Element was developed based on this program-by-program review of the 1999 Housing Element, assessment of current demographic and housing conditions in the community (Section 2), resources available (Section 3), and constraints present (Section 4). The following summarizes the achievements of the 1999 Housing Element in terms of housing constructed and preserved.

A. Housing Construction and Progress toward RHNA

The following **Table 5-1** summarizes the City's progress in housing construction from July 1, 1999 to June 30, 2005. Overall, the City's housing production exceeded the RHNA by 36 percent. With the City's highly successful Inclusionary Housing program, the City was able to produce 1,185 lower income units – an accomplishment few jurisdictions in San Diego County are able to claim.

Table 5-1
Progress toward Meeting the RHNA: 1999 - 2005

Fiscal Year	Very Low Income	Lower Income	Moderate Income	Above Moderate Income*	Total
1999 - 2000	23	159	42	1,690	1,914
2000 - 2001	138	158	94	1,707	2,097
2001 - 2002	17	106	75	1,262	1,460
2002 - 2003	0	69	0	656	725
2003 - 2004	0	50	53	488	591
2004 - 2005	85	380	197	1,048	1,688
Total	263	922	461	6,851	8,475
RHNA	1,710	1,417	1,436	1,591	6,214
% of RHNA	15.4%	65.0%	32.0%	426.2%	136.4%

* Number of units in Above Moderate Income includes 70 units for which the income affordability could not be determined. Conservatively, these units are assumed to be affordable only to above moderate income households.

Housing in the Coastal Zone

Pursuant to State law, the City monitors housing activities in the Coastal Zone. According to State law, coastal zone demolitions that meet the certain criteria are not required to be replaced. One of these criteria is the demolition of a residential structure containing less than three dwelling units or the demolition of multiple residential structures containing 10 or fewer total dwelling units. A

Review of 1999 Housing Element

total of 23 units have been demolished in Carlsbad's Coastal Zone during the 1999-2005 period. Among these units, none was subject to replacement requirements.

The City's Inclusionary Housing program has caused many affordable units to be constructed in the Coastal Zone or within three miles of the Coastal Zone. Detailed in **Table 5-2** is a cumulative tabulation of the housing units constructed and demolished in the Coastal Zone from 1991 to 2005. Between 1999 and 2005, 7,583 housing units were added to the Coastal Zone, of which 75 (or 10 percent) were affordable to lower-income households.

Table 5-2
Coastal Zone Residential Development

Single-family		Multifamily		Mobile Homes	Demolitions	Affordable Units
Attached	Detached	2-4 units	5+ units			
1991-1999 (July 1, 1991 to June 30, 1999)						
134	2,041	307	366	0	16	344
1999-2005 (July 1, 1999 to June 30, 2005)						
60	2,381	305	4,837	0	8	456*

*Includes 17 second dwelling units

Source: City of Carlsbad PERMITS Plus System, 2007

B. Housing Preservation

Overall, the City's housing stock is new and in good condition; therefore, housing preservation activities focused primarily on preserving the affordability of the units. Between 1999 and 2005, the City implemented the following preservation programs:

- Condominium Conversion – Condominium conversions resulted in the loss of 30 rental units; however, the City collected \$135,450 in Inclusionary In-Lieu Fees, which will be used to provide affordable housing in the City to replenish the rental housing stock.
- Mobile Home Park – The City assisted in the tenant purchase of one mobile home park.
- Acquisition and Rehabilitation – The City assisted in the acquisition and rehabilitation of one rental property consisting of 75 units (Tyler Court), which preserved units for individuals with extremely low and very low incomes.

C. Eligibility for Self-Certification of 2005-2010 Housing Element

Jurisdictions in the San Diego region are eligible to participate in the Self-Certification program of the Housing Element, provided that the jurisdiction meets its affordable housing production goals as assigned by SANDAG. To be eligible to self-certify the 2005-2010 Housing Element, the City of Carlsbad must provide a total of affordable housing units for 629 lower income households between 1999 and 2004. Specifically, the affordable housing production goals are divided into the following income groups:

Units affordable to extremely low-income households	170 units (27%)
Units affordable to very low-income households	201 units (32%)
Units affordable to low-income households	258 units (41%)

Between July 1, 1999 and June 30, 2004, the City of Carlsbad had already created 1,583 affordable housing opportunities/self-certification units for lower income households. The City exceeded its self-certification goals in all income categories. Based on this level of accomplishments, the City of Carlsbad is eligible to self-certify the 2005 Housing Element. See Appendix A for Records of Affordable Housing Production.

6. Housing Plan

This section of the Housing Element sets out the City's long-term housing goals and identifies a menu of shorter-term objectives, policy positions, and programs to achieve the long-term goals. The goals, objectives, policies, and programs comprise a broad-based Housing Plan for the creation of housing opportunities throughout the City. Through this Housing Plan the City demonstrates its understanding of the magnitude of the housing problem, as well as its commitment of City resources to providing the necessary solutions.

Fiscal Considerations

While the City affirms its commitment towards meeting the community's housing needs, it is nevertheless incumbent on the City to acknowledge that the Housing Plan is but one of a large number of programs competing for the finite fiscal resources of the City. As such, it is not possible to subject this Housing Plan to strict budgetary scrutiny. In addition, there may be legal requirements affecting future encumbrances of funds, as well as demands in other areas requiring the City to make difficult decisions on budgetary priorities.

Defining Goals and Policies

The Goals and Policies section of the Housing Plan establishes a policy framework to guide City decision making to meet identified goals. The housing programs outlined later represent actions the City of Carlsbad will undertake to promote housing opportunities for all segments of the community.

The housing **Goals** are articulated as a general "end condition statement", which states a desired outcome. The Goals do not contain an action verb as they reflect a final statement of what the City will hope to achieve. How the goal will be achieved is established via the subordinate policies and programs.

Policies are statements on the position the City takes to implement an objective. Policies contained in the Housing Element are important statements as they reflect the City's official position on a matter. Future development must be consistent with these policies.

Designing Housing Programs

The housing goals and policies address Carlsbad's identified housing needs, and are implemented through a series of housing programs offered by the City. Housing programs define the specific actions the City will undertake to achieve the stated goals and policies. Each program identifies the following:

Funding: Indicates the sources of funds to be used for each program. When these funds become unavailable, implementation of these programs may not be possible.

Lead Agency: Indicates the agency, department or authority responsible for the program. When more than one agency is listed it is a joint or cooperative effort. The Housing Authority means the City Council authority over any housing program, the administration and actual staffing of which is to be carried out by the Housing and Redevelopment Department.

Objectives: Indicates the specific objectives to be achieved. Whenever possible, the objectives would be quantified.

Time Frame: Indicates the time span for the programs and target year for specific accomplishments or milestones. Unless otherwise stated, the time frame for program implementation is July 1, 2005 through June 30, 2010.

A. Goals, Policies, and Programs

Preservation

Preserving the existing housing stock and avoiding deterioration that often leads to the need for substantial rehabilitation is one of the City's goals. In addition, it is important to preserve affordable housing units in the community to maintain adequate housing opportunities for all residents.

Goal 1: Carlsbad's existing housing stock preserved, rehabilitated, and improved with special attention to housing affordable to lower-income households.

Policy 1.1: Withhold approval of requests to convert existing rental units to condominiums when the property contains households of low and moderate income, unless findings can be made that a reasonable portion of the units will remain affordable, and the City has met its need for affordable housing stock for lower and moderate income groups.

Policy 1.2: Set aside approximately 20 percent of the rental units acquired by the City, Redevelopment Agency, or Housing Authority for rehabilitation purposes for households in the very low income range.

Policy 1.3: Target City, Redevelopment Agency, or Housing Authority provision of rehabilitation assistance and assistance to homeowners of low income, special needs and senior households in that priority.

Policy 1.4: Monitor status of assisted rental housing and explore options for preserving the units "at risk" of converting to market-rate housing.

Policy 1.5: Seek to reduce or eliminate net loss of existing mobile home rental opportunities available to lower and moderate income households.

Policy 1.6: Aim to retain and preserve the affordability of mobile home parks.

Policy 1.7: Survey residential areas periodically to identify substandard and deteriorating housing in need of replacement or rehabilitation.

Policy 1.8: Provide rehabilitation assistance, loan subsidies, and rebates for lower-income households, persons of special needs, and senior homeowners to rehabilitate deteriorating homes.

Policy 1.9: Acquire rental housing from private owners as feasible utilizing various local, state, and federal funding sources, and rehabilitate deteriorated structures if needed. If acquisition is not feasible, provide incentives to property owners to rehabilitate deteriorating rental units that house lower income households.

Program 1.1: Condominium Conversion

The City will continue to discourage and/or restrict condominium conversions when such conversions would reduce the number of low or moderate income housing units available throughout the City. All condominium conversions are subject to the City's Inclusionary Housing Ordinance; the in-lieu fees or actual affordable units required by the ordinance would be used to mitigate the loss of affordable rental units from the City's housing stock.

Funding: Inclusionary Housing In-Lieu Fee

Lead Agency: Planning Department

Objectives and Time Frame:

- Continue implementation of the Inclusionary Housing Ordinance and impose inclusionary housing requirements on condominium conversions.

Program 1.2: Mobile Home Park Preservation

The City will continue to implement the City's Residential Mobile Home Park zoning ordinance (Municipal Code 21.37) that sets conditions on changes of use or conversions of Mobile Home Parks.

The City will also assist lower income tenants to research the financial feasibility of purchasing their mobile home parks so as to maintain the rents at levels affordable to its tenants.

Funding: Housing Trust Fund, State grants and loans

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Continue to regulate the conversion of mobile home parks in Carlsbad.
- Provide information to mobile home park tenants regarding potential tenant purchase of parks and assistance available.

Program 1.3: Housing Conditions Report

The City will continue to monitor the conditions of the housing stock and identify units that are substandard or deteriorating and eligible for assistance under the City's rehabilitation programs.

Funding: Departmental budget

Lead Agency: Building Department

Objectives and Time Frame:

- Identify substandard or deteriorating structures before substantial rehabilitation or replacement is required.

Program 1.4: Acquisition/Rehabilitation of Rental Housing

The City will continue to provide assistance to preserve the existing stock of low and moderate income rental housing, including:

- Provide loans, grants, and/or rebates to owners of rental properties to make needed repairs and rehabilitation.
- Acquire and rehabilitate rental housing that is substandard, deteriorating or in danger of being demolished. Set-aside at least 20 percent of the rehabilitated units for very low income households.
- Provide deferral or subsidy of planning and building fees, and priority processing.

Priority will be given to housing identified by the Building Department as being substandard or deteriorating, and which houses lower income and in some cases moderate income households.

Funding: State grants and loans, Redevelopment Housing Set-Aside, CDBG

Lead Agency: Housing and Redevelopment Department, Building Department

Objectives and Time Frame:

- Assist in the acquisition and/or rehabilitation of 50 rental housing units between 2005 and 2010.

Program 1.5: Rehabilitation of Owner-Occupied Housing

As the housing stock ages, the need for rehabilitation assistance may increase. The City will provide assistance to homeowners to rehabilitate deteriorating housing. Assistance will include financial incentives in the form of low interest and deferred payment loans, and rebates. Households targeted for assistance include lower-income and special needs (disabled, large, and senior) households.

Funding: Redevelopment Housing Set-Aside, CDBG, State loans and grants

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Assist in the rehabilitation of 25 owner-occupied housing units between 2005 and 2010.

Program 1.6: Preservation of At-Risk Housing

Two projects within the City may be considered as at risk – Seascape Village and Santa Fe Ranch. Within Seascape Village, deed restrictions on 42 units are set to expire January 1, 2009, while the restrictions on 64 units in Santa Fe Ranch will expire July 1, 2007.

Funding: Redevelopment Housing Set-Aside, CDBG, State loans and grants

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Monitor the at-risk status of Seascape Village and Santa Fe Ranch.
- Ensure that the tenants receive proper notification.
- Assist tenants to receive special Section 8 vouchers set aside by HUD for tenants whose rent subsidies are terminated due to expiration of project-based Section 8 contracts.
- Assist in the identification of nonprofit housing providers that may be interested in purchasing the at-risk projects.

Housing Opportunities

A healthy, sustainable community relies on its diversity and its ability to maintain balance among different groups. The City encourages the production of new housing units that offer a wide range of housing types to meet the varied needs of its diverse population. A balanced inventory of housing in terms of unit type (e.g., single-family, apartment, condominium, etc.), cost, and architectural style will allow the City to fulfill a variety of housing needs.

Goal 2: New housing developed with diversity of types, prices, tenures, densities, and locations, and in sufficient quantity to meet the demand of anticipated City and regional growth.

Policy 2.1: Ensure sufficient developable acreage in all residential densities to provide varied housing types for households in all economic segments.

Policy 2.2: Allow development of sufficient new housing to meet Carlsbad's share of the regional housing need for 2005-2010 as determined by SANDAG and consistent with this Housing Element.

Policy 2.3: Identify, monitor, record, and report data on housing units constructed, converted, and demolished in the Coastal Zone along with information regarding whether these units are affordable to lower and moderate income households pursuant to State law.

Policy 2.4: Ensure that housing construction achieved through the use of modified codes and standards while retaining quality design and architecture.

Policy 2.5: Provide alternative housing environments by encouraging adaptive reuse of older commercial or industrial buildings.

Policy 2.6: Encourage increased integration of housing with nonresidential development where appropriate.

Program 2.1: Adequate Sites

The City will continue to monitor the absorption of residential acreage in all densities and, if needed, recommend the creation of additional residential acreage at densities sufficient to meet the City's housing need for current and future residents. Any such actions shall be undertaken only where consistent with the Growth Management Plan.

- In order to ensure that adequate residential acreage at appropriate densities is available to meet the City's Regional Housing Needs Assessment (RHNA) the City will implement the following objectives:
- The City shall process a general plan amendment(s) to redesignate a minimum net acreage of each site in **Table 6-1** to RH and require that the redesignated sites be developed at a minimum density of 20 units per acre.

Table 6-1
General Plan Amendment (RH): Ponto and Quarry Creek

Property	APN	Minimum Acres to be Redesignated to RH	Density Yield
Ponto	216-140-17	6.4	128
Quarry Creek	Portions of 167-040-21	17.5	350
Commercial Mixed Use Ponto	Portion of 216-140-18	2.8	28

- The City shall process a general plan amendment(s) to redesignate a minimum net acreage of each site in **Table 6-2** to RMH and require that the redesignated site be developed at a minimum density of 12 units per acre.

Table 6-2
General Plan Amendment (RMH): Quarry Creek

Property	APN	Minimum Acres to be Re-designated to RMH	Density Yield
Quarry Creek	Portions of 167-040-21	21	250

- The City shall process general plan amendments to establish minimum densities of 12 units per acre and 20 units per acre for the RMH and RH land use designations, respectively.
- The City shall process amendments to the general plan and appropriate documents regulating land use in the Village Redevelopment Area to require all residential development to develop at a minimum density of 23 units per acre. This density minimum shall be applicable to both mixed use projects with residential components and projects that are stand-alone residential.
- The City shall amend its zoning ordinance, general plan, and other land use documents as necessary to permit residential in a mixed use format on shopping center sites and commercial areas with a General Plan designations of "CL" and "R" and zoning designations of "C-L," "C-1" and "C-2," and/or other general plan and zoning designations as appropriate. Mixed use residential on shopping center and commercial sites shall be at a minimum density of 20 units per acre.
- The City will encourage the consolidation of small parcels in order to facilitate larger-scale developments. Specifically, the City will make available an inventory of vacant and underutilized properties to interested developers, market infill and redevelopment opportunities throughout the City, particularly in the Village Redevelopment Area, and meet with developers to identify and discuss potential project sites.

Funding: Departmental budget

Lead Agency: Housing and Redevelopment Department, Planning Department

Objectives and Time Frame:

- Provide adequate residential sites to ensure compliance with the adequate sites requirements of AB 2348 for meeting the Regional Housing Needs Assessment (RHNA) for the 2005-2010 planning period.
- Amendments to the general plan and other land use documents necessary to effectuate the density changes above shall be implemented within one year of Housing Element certification. However, because of the extensive legislative and environmental actions (e.g., preparation and adoption of a Local Facilities Management Plan and environmental impact report) required to approve general plan amendments for Quarry Creek as proposed,

general plan amendments for Quarry Creek shall be implemented with two years of Housing Element certification.

Program 2.2: Flexibility in Development Standards

The Planning Department, in its review of development applications, may recommend waiving or modifying certain development standards, or propose changes to the Municipal Code to encourage the development of low and moderate income housing.

Funding: Department budget
Lead Agency: Planning Department
Objectives and Time Frame:

- Continue to offer flexibility in development standards to facilitate the development of lower and moderate income households.
- Process amendments to its Planned Unit Development Ordinance, Parking Ordinance and Beach Area Overlay Zone to modify development standards to enable the achievement of higher density residential projects by the end of 2007.
- Periodically review the Municipal Code and recommend changes that would enhance the feasibility of affordable housing, while maintaining the quality of housing.

Program 2.3: Adaptive Reuse

The City will continue to explore the potential for the adaptive reuse of aging industrial, commercial and some residential buildings into affordable live/work spaces and housing for special needs groups.

Funding: Redevelopment Housing Set-Aside, CDBG
Lead Agency: Planning Department, Housing and Redevelopment Department
Objectives and Time Frame:

- Target adaptive reuse activities in the downtown redevelopment area.
- Identify areas and properties with potential for adaptive reuse and provide information to interested developers.
- Provide financial incentives and flexibility in development standards as feasible and appropriate.

Program 2.4: Mixed Use

The City will encourage mixed-use developments that include a residential component. Major commercial centers should incorporate, where appropriate, mixed commercial/residential uses. Major industrial/office centers, where not precluded by environmental and safety considerations, should incorporate mixed industrial/office/residential uses.

- As described in Program 2.1, the City shall amend the zoning ordinance and other necessary land use documents to permit residential mixed use at 20 units per acre on shopping center sites and commercial areas.

Funding: Departmental budget

Lead Agency: Planning Department

Objectives and Time Frame:

- Periodically review development standards and incentives that would encourage mixed-use developments.
- Identify areas and properties with potential for mixed-use development and provide information to interested developers.

Goal 3: Sufficient new, affordable housing opportunities in all quadrants of the City to meet the needs of current lower and moderate income households and those with special needs, and a fair share proportion of future lower and moderate income households.

Policy 3.1: Require affordability for lower income households of a minimum of 15 percent of all units approved for any master plan community, residential specific plan, or qualified subdivision (as defined in the Inclusionary Housing Ordinance). For projects that are required to include 10 or more units affordable to lower income households, at least 10 percent of the lower income units should have three or more bedrooms (lower income senior housing projects exempt).

Policy 3.2: Annually set priorities for future lower-income and special housing needs. The priorities will be set through the Consolidated Annual Plan which is prepared by the Housing and Redevelopment Department with assistance from the Planning Department and approved by the City Council. Priority given to the housing needs for lower-income subgroups (i.e., handicapped, seniors, large-family, very-low income) will be utilized for preference in the guidance of new housing constructed by the private sector and for the use of City funds for construction or assistance to low income projects.

Policy 3.3: Accommodate General Plan Amendments to increase residential densities on all PC and LC zoned properties and all other residentially designated properties to facilitate the development of affordable housing. Any proposed General Plan Amendment request to increase site densities for purposes of providing affordable housing, will be evaluated relative to the proposal's compatibility with adjacent land uses and proximity to employment opportunities, urban services or major roads. These General Plan Land Use designation changes will enable up to 23 dwelling units per acre, and, in conjunction with the City's Density Bonus Ordinance, could potentially increase the density by 35 percent.

Policy 3.4: Adhere to Council Policy Statement 43 when considering allocation of units from the Excess Dwelling Unit Bank. Amended on December 17, 2002, Policy Statement 43 authorized withdrawals from the

banks to be utilized in the following "qualifying" projects anywhere within the city:

1. Projects that include a request for a density bonus;
2. Housing for lower or moderate-income families;
3. Senior housing;
4. Housing located within either of the city's two, official, redevelopment areas;
5. Transit-oriented/"smart growth" developments;
6. Conversions of general plan land use designations from non-residential to residential; and
7. Single-family developments, in infill-areas, under stipulated conditions.

Policy 3.5: Address the unmet housing needs of the community through new development and housing that is set aside for lower and moderate income households consistent with priorities set by the Redevelopment and Housing Department in collaboration with the Planning Department, as set forth in the City's Consolidated Plan.

Policy 3.6: Encourage the development of an adequate number of housing units suitably sized to meet the needs of lower and moderate income larger households.

Policy 3.7: Ensure that incentive programs, such as density bonus programs and new development programs are compatible and consistent with the City's Growth Management Ordinance.

Policy 3.8: Maintain the Housing Trust fund to facilitate the construction and rehabilitation of affordable housing.

Policy 3.9: Consistent with State law, establish affordable housing development with priority for receiving water and sewer services when capacity and supply of such services become an issue.

Program 3.1: Inclusionary Housing Ordinance

The City will continue to implement its Inclusionary Housing Ordinance that requires 15 percent of all residential units within any Master Plan/Specific Plan community or other qualified subdivision (currently seven units or more) be restricted and affordable to lower income households. This program requires an agreement between all residential developers subject to this inclusionary requirement and the City which stipulates:

- the number of required lower income inclusionary units;
- the designated sites for the location of the units;
- a phasing schedule for production of the units; and
- the term of affordability for the units.

For all subdivisions of fewer than seven units, payment of a fee in lieu of inclusionary units is permitted. The fee is based on a detailed study that calculated the difference in cost to produce a market rate rental unit versus a lower-income affordable unit. As of September 1, 2006, the in-lieu fee per market-rate dwelling unit was \$4,515. The fee amount may be modified by the City Council from time-to-time and is collected at the time of building permit issuance for the market rate units. The City will continue to utilize inclusionary in-lieu fees collected to assist in the development of affordable units.

The City will also continue to consider other in-lieu contributions allowed by the Inclusionary Housing Ordinance, such as an irrevocable offer to dedicate developable land.

Funding: Departmental budget

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Based on past trends and projects in pipeline, the City anticipates 4,060 new housing units between 2005 and 2010, potentially generating an inclusionary requirement of 609 units.
- Annually-adjust the inclusionary housing in-lieu fee as necessary to reflect market conditions and ensure fees collected are adequate to facilitate the development of affordable units.

Program 3.2: Excess Dwelling Unit Bank

The City will continue to maintain, monitor and manage the Excess Dwelling Unit Bank, composed of "excess units" anticipated under the City's Growth Management Plan, but not utilized by developers in approved projects. The City will continue to make excess units available for inclusion in other projects using such tools as density transfers, density bonuses and changes to the General Plan land use designations per Council Policy Statement 43.

Based on analysis conducted in Section 4, Constraints and Mitigating Opportunities, the City has adequate excess dwelling units to accommodate the remaining RHNA of 2,355 units for lower and 1,211 units for moderate income households, which would require a withdraw of 2,625 units from the Excess Dwelling Unit Bank.

Funding: Departmental budget

Lead Agency: Planning Department

Objectives and Time Frame:

- Ensure adequate excess dwelling units are available to address the City's remaining lower income RHNA for the 2005-2010 period.

Program 3.3: Density Bonus

In 2004, the State adopted new density bonus provisions (SB 1818) that went into effect on January 1, 2005. Consistent with the new State law (Government Code sections 65913.4 and 65915), the City will continue to offer residential density bonuses as a means of encouraging affordable housing development. In exchange for setting aside a portion of the development as units affordable to lower and moderate income households, the City will grant a bonus over the otherwise allowed density, and up to three financial incentives or regulatory concessions. These units must remain affordable for a period of 30 years and each project must enter into an agreement with the City to be monitored by the Housing and Redevelopment Department for compliance.

The density bonus increases with the proportion of affordable units set aside and the depth of affordability (e.g. very low income versus low income, or moderate income). The maximum density bonus a developer can receive is 35 percent when a project provides 11 percent of the units for very low income households, 20 percent for low income households, or 40 percent for moderate income households.

Financial incentives and regulatory concessions may include but are not limited to: fee waivers, reduction or waiver of development standards, in-kind infrastructure improvements, an additional density bonus above the requirement, mixed use development, or other financial contributions.

Funding: Departmental budget, Housing Trust Fund, Redevelopment Housing Set-Aside

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Ensure that the City's new Density Bonus Ordinance is consistent with the Inclusionary Housing Ordinance.
- Encourage developers to take advantage of density bonus incentives.

Program 3.4: City-Initiated Development

The City, through the Housing and Redevelopment Department, will continue to work with private developers (both for-profit and non-profit) to create housing opportunities for low, very low and extremely low income households.

Funding: Redevelopment Housing Set-Aside, Housing Trust Fund, CDBG, and other Federal, State and local funding

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Create 70 city-initiated or non-inclusionary affordable housing units for lower income households between 2005 and 2010.

Program 3.5: Affordable Housing Incentives

The City uses Redevelopment Housing Set-Aside Funds and Housing Trust Funds to offer a number of incentives to facilitate affordable housing development. Incentives may include:

- Payment of public facility fees;
- In-kind infrastructure improvements, including but not limited to street improvements, sewer improvements, other infrastructure improvements as needed;
- Priority processing, including accelerated plan-check process, for projects that do not require extensive engineering or environmental review; and
- Discretionary consideration of density increases above the maximum permitted by the General Plan through review and approval of a Site Development Plan (SDP).

Funding: Departmental budget, Redevelopment Tax Increment and Housing Set-Aside, CDBG

Lead Agency: Planning Department, Housing and Redevelopment Department, Finance Department

Objectives and Time Frame:

- Assist in the development of 235 affordable units between 2005 and 2010 (inclusive of units to be assisted under Program 3.4, City-Initiated Development, and Program 3.10, Senior Housing).

Program 3.6: Land Banking

The City will continue to implement a land banking program to acquire land suitable for development of housing affordable to lower and moderate income households. The Land Bank may accept contributions of land in-lieu of housing production required under an inclusionary requirement, surplus land from the City or other public entities, and land otherwise acquired by the City for its housing programs. This land would be used to reduce the land costs of producing lower and moderate income housing developed undertaken by the City or other parties.

Funding: CDBG, Redevelopment Housing Set-Aside, Housing Trust Fund

Lead Agency: Community Development Major Service Area, including the Housing and Redevelopment Department

Objectives and Time Frame:

- Compile an inventory of surplus properties owned by the City and other public entities by the end of 2007 and update the inventory annually for potential acquisition by the City.

Program 3.7: Housing Trust Fund

The City will continue to maintain the various monies reserved for affordable housing, and constituting the Housing Trust Fund, for the fiduciary administration of monies dedicated to the development, preservation and rehabilitation of housing in Carlsbad. The Trust Fund will be the repository of all collected in-lieu fees, impact fees, housing credits and related revenues targeted for proposed housing as well as other local, state and federal funds.

Funding: In-Lieu fees, real property transfer tax, and HOME/CDBG Housing Reserve, local, state and federal funds

Lead Agency: Housing and Redevelopment Department, Finance Department

Objectives and Time Frame:

- Actively pursue housing activities to timely encumber and disperse Housing Trust Fund.

Program 3.8: Section 8 Housing Choice Vouchers

The Carlsbad Housing Authority will continue to operate the City's Section 8 Housing Choice Voucher program to provide rental assistance to very low income households.

Funding: Federal Section 8 funding

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Continue to provide rental assistance to approximately 700 very low income households.
- Seek to maximize the lease-out rate of the allocated vouchers and pursue additional vouchers to reduce the number of households on the waiting list.

Program 3.9: Mortgage Credit Certificates

The City participates in the San Diego Regional Mortgage Credit Certificate (MCC) Program. By obtaining a MCC during escrow, a qualified homebuyer can qualify for an increased loan amount. The MCC entitles the homebuyer to take a federal income tax credit of 20 percent of the annual interest paid on the mortgage. This credit reduces the federal income taxes of the buyer, resulting in an increase in the buyer's net earnings.

Funding: County MCC allocations

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Continue to promote the MCC program with the objective of assisting two households annually.

Program 3.10: Senior Housing

The City will continue to encourage a wide variety of senior housing opportunities, especially for lower-income seniors with special needs, through the provision of financial assistance and regulatory incentives as specified in the City's Senior Housing Overlay zone. Projects assisted with these incentives will be subjected to the monitoring and reporting requirements to assure compliance with approved project conditions.

In addition, the City has sought and been granted Article 34 authority by its voters to produce 200 senior-only affordable housing units. The City would need to access its Article 34 authority only when it functions as the owner of the project, where the City owns more than 51 percent of the development.

Funding: Departmental budget, Housing Trust Fund, Redevelopment Housing Set-Aside, Private financing, state public financing

Lead Agency: Housing and Redevelopment Department, Planning Department

Objectives and Time Frame:

- Periodically review the Senior Housing Overlay provisions to expand housing opportunities for seniors.
- Provide information on incentives to interested developers.
- Work with senior housing developers and non-profit organizations to locate and construct 50 units of senior low-income housing between 2005 and 2010.

Program 3.11: Housing for Persons with Disabilities

The City will adopt an ordinance to establish a formal policy on offering reasonable accommodations to persons with disabilities with regard to the construction, rehabilitation, and improvement of housing. The ordinance will specify the types of requests that may be considered reasonable accommodation, the procedure and reviewing/approval bodies for the requests, and waivers that the City may offer to facilitate the development and rehabilitation of housing for persons with disabilities.

Funding: Departmental budget

Lead Agency: Planning Department, Building Department

Objectives and Time Frame:

- Adopt reasonable accommodation policy by the end of 2007.

Program 3.12: Housing for Large Families

In those developments that are required to include 10 or more units affordable to lower-income households, at least 10 percent of the lower income units should have three or more bedrooms. This requirement does not pertain to lower-income senior housing projects.

Funding: Departmental budget

Lead Agency: Planning Department

Objectives and Time Frame:

- Continue to implement this requirement as part of the Inclusionary Housing Ordinance.

Program 3.13: Farm Labor Housing

Pursuant to State Employee Housing Act, the City permits by right employee housing for six or fewer in all residential zones where a single-family residence is permitted. Farm labor housing for 12 persons in a group quarters or 12 units intended for families is permitted by right on properties where agricultural uses are permitted.

Funding: State and Federal grants and loans, CDBG

Lead Agency: Community Development Major Service Area

Objectives and Time Frame:

- Continue to work with, and assist, local community groups, social welfare agencies, farmland owners, and other interested parties to provide shelter for permanent and migrant farmworkers in the City.
- Coordinate with other regional and local programs to address farm labor housing needs in a cooperative, regional approach.

Program 3.14: Housing for the Homeless

Carlsbad will continue to facilitate the acquisition, for lease or sale, of suitable sites for emergency shelters and transitional housing for the homeless population. This facilitation would include, but not be limited to:

- Participating in a regional or sub-regional summit(s) including decision-makers from North County jurisdictions and SANDAG for the purposes of coordinating efforts and resources to address homelessness;
- Assisting local non-profits and charitable organizations in securing state and federal funding for the acquisition, construction and management of shelters;
- Continuing to provide funding for local and sub-regional homeless service providers that operate temporary and emergency shelters; and
- Reviewing local zoning controls to alleviate any barriers to the feasible provision of housing for the homeless, including temporary and/or seasonal portable structures.

Funding: Housing Trust Fund, Redevelopment Housing Set-Aside, CDBG

Lead Agency: Community Development Major Service Area

Objectives and Time Frame:

- Provide funding for homeless shelter providers through the annual Action Plan process for the use of CDBG funds.
- Amend the Zoning Ordinance to conditionally permit emergency shelters and transitional housing in P-M zone by the end of 2008.

Program 3.15: Supportive Services for Homeless and Special Needs Groups

The City will continue to provide CDBG funds to community, social welfare, non-profit and other charitable groups that provide services for those with special needs in the North County area.

Furthermore, the City will work with agencies and organizations that receive CDBG funds to offer a City Referral Service for homeless shelter and other supportive services.

Funding: CDBG

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Provide funding for supportive service providers through the annual Action Plan process for the use of CDBG funds.
- Continue to operate the City's 211 Referral Service.

Program 3.16: Alternative Housing

The City will continue to implement its Second Dwelling Unit Ordinance (Section 21.10.015 of the Carlsbad Municipal Code) and will continue to consider alternative types of housing, such as hotels, single room occupancy units, homeless shelters, and farmworker housing.

Funding: Federal, state, and local loans and grants, private funds

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Continue to monitor underutilized properties and sites in the community that have potential for alternative housing options and offer the information to interested developers.

Program 3.17: Military and Student Referrals

The City will assure that information on the availability of assisted or below-market housing is provided to all lower-income and special needs groups. The Housing and Redevelopment Agency will provide information to local military and student housing offices of the availability of low-income housing in Carlsbad.

Funding: Departmental budget

Lead Agency: Housing and Redevelopment Agency

Objectives and Time Frame:

- Periodically update the City's inventory of assisted or below-market housing and make the information available on print and on the City's website.

Program 3.18: Coastal Housing Monitoring

As a function of the building process, the City will monitor and record Coastal Zone housing data including, but not limited to, the following:

- 1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.
- 2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments within the coastal zone.
- 3) The number of existing residential dwelling units occupied by persons and families of low or moderate income that are authorized to be demolished or converted in the coastal zone pursuant to Section 65590 of the Government Code.
- 4) The number of residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that are required for replacement or authorized to be converted or demolished as identified above. The location of the replacement units, either onsite, elsewhere within the City's coastal zone, or within three miles of the coastal zone in the City, shall be designated in the review.

Funding: Departmental budget

Lead Agency: Community Development Major Service Area

Objectives and Time Frame:

- Continue to maintain records and prepare a summary report annually.

Program 3.19: Housing Element Annual Report

To retain the Housing Element as a viable policy document, the Planning Department will undertake an annual review of the Housing Element and schedule an amendment if required. As required, staff also monitors the City's progress in implementing the Housing Element and prepares corresponding reports to the City Council, and California Department of Housing and Community Development annually.

Funding: Departmental Budget

Lead Agency: Planning Department

Objectives and Time Frame:

- Prepare Annual Housing Production Report and report on implementation of the General Plan, including the Housing Element,.
- Submit annual report on implementation of the General Plan, including the Housing Element and Annual Housing Production Report, to the City Council, HCD, and other government agencies as necessary.

Fair Housing

Equal access to housing is a fundamental right protected by both State and Federal laws. The City of Carlsbad is committed to fostering a housing environment in which housing opportunities are available and open to all.

Goal 4: All Carlsbad housing opportunities (ownership and rental, market and assisted) offered in conformance with open housing policies and free of discriminatory practices.

Policy 4.1: Support enforcement of fair housing laws prohibiting arbitrary discrimination in the development, financing, rental, or sale of housing.

Policy 4.2: Educate residents and landlords on fair housing laws and practices through the distribution of written materials and public presentations.

Policy 4.3: Contract with a fair housing service provider to monitor and respond to complaints of discrimination in housing.

Policy 4.4: Monitor the lending practices of local lending institutions for compliance under the Community Reinvestment Act to evaluate lending activities and goals towards meeting the community's credit needs. Reevaluate relationship with lending institutions that are substantially deficient in their CRA ratings.

Policy 4.5: Periodically review City policies, ordinances, and development standards, and modify, as necessary, to accommodate housing for persons with disabilities.

Program 4.1: Fair Housing Services

With assistance from outside fair housing agencies, the City will continue to offer fair housing services to its residents and property owners. Services include:

- Distributing educational materials to property owners, apartment managers, and tenants;
- Making public announcements via different media (e.g. newspaper ads and public service announcements at local radio and television channels);
- Conducting public presentations with different community groups;

- Monitoring and responding to complaints of discrimination (i.e. intaking, investigation of complaints, and resolution); and
- Referring services to appropriate agencies.

Funding: CDBG, Section 8 and Redevelopment Administration funds

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Annually through the Action Plan process allocate funding for fair housing services.
- Participate in regional efforts to mitigate impediments to fair housing choice.

B. Quantified Objectives by Income

The following **Table 6-3** summarizes the City's quantified objectives for the 2005-2010 period by income group.

**Table 6-3
Quantified Objectives: 2005-2010**

	Very Low	Low	Moderate	Above Moderate	Total
RHNA	1,922	1,460	1,583	3,411	8,376
Units to be Constructed ¹	270	574	200	3,016	4,060
Units to be Rehabilitated	50	25	0	0	75
Units to be Conserved	106	0	0	0	106
Households to be Assisted	700	0	10	0	710
Total	1,126	599	210	3,016	4,951

Notes:

¹ Affordable units include 235 City-initiated affordable housing (Program 3.5, Affordable Housing Incentives) and 609 anticipated inclusionary housing units (Program 3.1, Inclusionary Housing). Income distribution of these anticipated lower income units is based on the same proportions realized by projects approved and under construction (Table 3-2). A general assumption of 200 moderate income units is used.